knowit Annual Report 2022

KNOWIT IN BRIEF

We create a sustainable and humane society through digitalization and innovation

Net sales, MSEK

Adjusted EBITA margin



Proportion female executives



Proportion of net sales contributing to at least one of the SDGs where Knowit can make the most difference



Number of employees **4,410**

> Proposed dividend, SEK/share

7.50

KNOWIT IN BRIEF



WE ARE A Nordic consultancy firm that supports companies and organizations in the digital transformation. With a unique combination of competence in tech, design, communication, and strategy, we develop innovative and sustainable solutions that contribute to a high business value for our clients.

Our services are developed and delivered by our four business areas, *Solutions, Experience, Connectivity,* and *Insight.* The digital solutions that we create along with our clients and partners are found in all parts of society – from school, healthcare, and authorities to e-commerce, banks, industry, and transportation. Every day, people use many solutions from Knowit which facilitate their everyday life and create new ways to keep in touch and communicate. In this way, Knowit can promote the vision of creating a sustainable and humane society through digitalization and innovation.

Knowit was founded in 1990 and currently has around 4,400 employees in Sweden, Norway, Denmark, Finland, Germany, and Poland. Our culture is characterized by openness, understanding for the client's business, high specialist competence, and a willingness to keep developing. Knowit is listed on the Nordic Exchange in Stockholm since 1997.

We are makers of a sustainable future.

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FINANCIAL CALENDAR 2023 - 2024

INTERIM REPORT JANUARY – MARCH May 3 2023, 7:30 AM

AGM

May 3 2023, 5:00 PM

INTERIM REPORT JANUARY – JUNE July 20 2023, 7:30 AM

INTERIM REPORT JANUARY – SEPTEMBER October 25 2023, 7:30 AM

YEAR-END REPORT February 8 2024, 7:30 AM

SUSTAINABILITY REPORTING

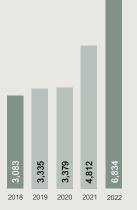
We have set clear goals for our sustainability work. In 2022, Knowit presented how the Company along with clients and partners shall actively contribute to the UN Agenda 2030 and societal development, with positive environmental and climate impact, as well as increased inclusivity. Read more on pages 35-53.

THE YEAR IN BRIEF

High demand on the Nordic digitalization market



The net sales for the year increased to SEK 6,833.8 (4,811.8 1) million, a growth of 42.0 percent, and 12.0 percent calculated as if acquired units were included in the previous year as well. Profit before amortization of intangible assets (EBITA) increased by 36.0 percent to SEK 596.5 (438.5) million. The adjusted EBITA profit increased by 24.7 percent to SEK 608.5 (487.9) million, adjusted for acquisition and integration costs of SEK 12.0 (49.4) million. Compared with the corresponding period last year, the development of the exchange rates had a positive effect of SEK 12.3 (2.3) million on EBITA.



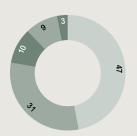
NET SALES Net sales for 2022 increased to SEK 6,834 (4,812) million.



PROFIT DEVELOPMENT

Profit before amortization of intangible assets (EBITA) increased to SEK 596.5 (438.5) million. The EBITA margin was 8.7 (9.1) percent.

EBITA profit, SEK, millions
 EBITA margin, %



SALES PER COUNTRY 2022

Sweden	47%	(52)
Norway	31%	(34)
Denmark	10%	(5)
Finland	9%	(7)
Poland	3%	(2)
Other	0%	(0)

THE YEAR IN BRIEF \rightarrow

Cash flow from operating activities increased to SEK 475.3 (462.8) million, where the change in operating capital has had an impact of SEK -58.3 (-49.8) million.

In the table below, the financial history is shown including the acquisitions of 1508.dk, Strømlin, Swedspot, Miracle, Marketing Clinic, Ascend, and Ionic for the comparable periods.

SEK, MILLIONS	JAN-DEC 2022	JAN-DEC 2021
Sales	6,833.8	4,811.8
Sales, acquisitions		1,313.6 ¹⁾
Sales, including acquisitions	6,833.8	6,125.4
Sales, change, %	11.6	
of which exchange rate effect, %	3.1	

The adjustment pertains to sales in 1508.dk and Strømlin for the period January – December, Swedspot, Miracle, and Marketing Clinic for the period July – December, and Ascend and Ionic for the period October – December 2021.

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

SEK, MILLIONS	JAN-DEC 2022	JAN-DEC 2021
EBITA	596.5	438.5
Adjusted EBITA profit	608.5	487.9 ¹⁾
EBITA margin, %	8.7	9.1
Adjusted EBITA margin, %	8.9	10.1 ²⁾
Cash flow from operating activities	475.3	462.8
Intangible assets	4,629.7	3,839.5
Number of employees	4,410	3,849

EBITA is adjusted for items that affect comparability between periods, to increase the understanding of the Group's underlying operations. Items that affect comparability include costs connected to acquisitions and disposals, and costs for restructuring and integration programs.
 Adjusted EBITA profit relative to the net sales for the period

THE YEAR IN BRIEF Important events during the year

Knowit's climate targets were approved by the **SCIENCE-BASED TARGETS INITIATIVE.** SBTi is an international collaboration which private companies can join to ensure that targets are science-based and in line with what is required to reach the 1.5 degree target under the Paris Agreement.

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

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

Knowit **ACQUIRED SWEDSPOT,** a company with a strong focus on software development for the car industry. Swedspot supplements the existing offers in embedded systems and a unique platform with smart services for connected vehicles.

Knowit **SOLD THE GROUP'S NON-CONTROLLING INTERESTS** in the Norwegian fintech company Stacc AS.

In June, Knowit announced the **ACQUISITION OF MIRACLE**, with around 130 employees – a Danish consultancy company with well-positioned operations in system development, consultancy, and a high competence in open source platforms.

In June, the **ACQUISITION OF THE STRATEGY AGENCY MARKETING CLINIC** with roughly 60 consultants, primarily in Helsinki, was also announced.

Knowit won an assignment of around SEK 70 million for the **SWEDISH ARMED FORCES** regarding an upgrade of the Command & Control system used by the Swedish Navy. The upgrade includes increased functionality and solutions for IT security and increased possibilities to collaborate with Finland and NATO.

Knowit and Techarenan hosted panel debates and seminars during the **ALMEDALEN WEEK** on diversity and equality in the tech sector.

Knowit performed several popular debates and seminars during the Norwegian **ARENDALSVECKAN** on the topic digitalization as a driver of the climate shift.

Knowit signed an agreement to acquire the management consultancy firms **ASCEND AB AND IONIC AB** with a total of around 60 employees in Stockholm.

Knowit was given the confidence of serving as a strategic partner in the **FURTHER DEVELOPMENT OF INERA'S APPLICATION SERVICES.** Inera is the joint digitalization company of the municipalities and regions in Sweden. The framework agreement encompasses most of Inera's services, including important national services in Sweden, such as 1177.

Knowit entered into a new five-year strategic **COLLABORATION AGREEMENT WITH AMAZON WEB SERVICES** (AWS). The increased collaboration and partnership with AWS provides clients with the latest technology and support, while also strengthening Knowit's position in cloud-related assignments in the Nordic region.

Knowit was named the **SWEDISH TAX AGENCY'S NEW CREATIVE DIGITAL AGENCY** and will be supporting the Swedish Tax Agency in developing the digital client experience.

Knowit was given the confidence to be a strategic partner in further development of **VERISURE'S** digital services. Knowit won a procurement process in several different areas and will support Verisure with technical competence in a hybrid design with consultants from both Poland and Sweden.

The analyst Radar performed a **TRUST AND BRAND SURVEY**, where Knowit was found to be the consultancy firm that could deliver most value in relation to its clients.

ightarrow The year in brief

A driving force in Nordic consolidation during 2022

Knowit's growth strategy is based on a combination of organic growth supplemented with strategic acquisitions. Sound organic growth is a prerequisite for a consultancy company to develop and retain its attractiveness towards both clients and employees, while acquisitions reinforce the company on new or existing markets and raise its competence in specific areas. As one of the larger players in digitalization in the Nordic region, and with a clear acquisition agenda, Knowit is part of driving Nordic consolidation.

KNOWIT GROWS PRIMARILY organically through continuous work with developing the existing operations and client offers. Another prioritized area for creating growth is very active work with recruitment and creating a strong employer brand. Read more about our recruitment work on pages 30-32. To this is added company acquisitions and start-ups within the Group. In 2022, more than 300 new employees were welcomed after finalized acquisitions.

STRENGTHENED PLATFORM IN DENMARK

At the beginning of the year, Knowit finalized the acquisition of the Danish tech agency 1508.dk and the tech agency Strømlin, with around 45 employees. The new operations, combined with the existing operations of the business area Experience in Copenhagen and Aarhus, create a strong platform for continued growth on the Danish market. The companies' offers complement each other well and strengthen Knowit Experience's offer in design, consultancy, and tech. Knowit Experience is the leading agency in digital customer experiences in the Nordic region and the acquisitions of 1508.dk and Strømlin gives Knowit a top position among creative design and strategy agencies in Denmark.

Knowit's business area Solutions has also reinforced its presence on the Danish market during the year by acquiring the consultancy firm Miracle, a Danish consultancy firm with well-positioned operations in system development and consultancy, and high competence in open source platforms. The company has around 130 employees, with offices in Copenhagen, Aarhus, and Aalborg. The acquisition of Miracle means that Knowit Solutions has gained a much stronger position on the Danish market.

INCREASED PRESENCE IN THE VEHICLE INDUSTRY

Knowit's business area Connectivity has a broad client offer primarily in embedded systems and cloud and security solutions. Clients are mainly found in the research and development departments of manufacturing companies. Through the acquisition of Swedspot, with around 40 employees, Knowit's position in the vehicle industry, and on the important Gothenburg market, is strengthened further. Knowit has expertise and technology at the absolute cutting edge for connected vehicles. The acquisition of Swedspot strengthened these competences even further and was an important step in the right direction to make the client experience the most high quality and holistic as possible..

A SIGNIFICANT PLAYER IN NORDIC MANAGEMENT CONSULTANCY

The transition to a digital and sustainable society creates challenges for companies and organizations at every level. With a combination of strategy, creativity, and technology, the management consultants in Knowit's business area Insight help companies and organizations in the Nordic region to innovate and develop their operations in a sustainable way. During the year, acquisitions of Marketing Clinic, Ascend, and Ionic were performed, meaning that Knowit's management consultancy operations welcomed a total of 120 employees in Finland and Sweden. The acquisitions mean that Knowit is broadening its offer in growth and business development strategies, and in Business Technology and Commercial Excellence. **COMMENTS FROM THE CEO**

Challenges and possibilities – with profitable growth



In many ways, 2022 was a special year for us at Knowit. Demand for specialist competence to develop companies' digital strategies, business models, and customer experiences was high, and we are closing out another year in which we have grown rapidly, both organically and through acquisitions, with high profitability. However, uncertainty has increased gradually in the outside world throughout the year, and we operate on a market that challenges both us and our clients in a different way than one year ago.

For us at Knowit, the future is about continuing to support companies, organizations, and authorities in their digitalization journeys – where cybersecurity, digitalization, and technical development that speeds up the transition to a sustainable society are at the top of the agenda, for both us and our clients.

COMMENTS FROM THE CEO

THE YEAR STARTED strongly, with very high demand on all markets and segments. The gap between demand and available resources has been profound all year. For Knowit, this means that we have been able to advance our position on all markets, as a result of our strong brand, both as an employer and as a digitalization partner. On the other hand, costs for retaining and attracting employees have risen. We have also seen the proportion of subconsultants gradually increase in a few larger projects, which has had a negative impact on our margin. Toward the end of the year, some hesitation was apparent from some clients, primarily on the Finnish market, where the relative proximity to Russia and Ukraine creates increased uncertainty. Overall, the year has been characterized by high activity levels in both sales and deliveries of client projects.

LONG-TERM EFFORTS TO CREATE THE MOST ATTRACTIVE EMPLOYER IN THE INDUSTRY

We are continuing to work to create a strong platform to continually develop a Knowit that takes part in driving technology development towards the future. Thanks to very high demand for Knowit's competence and offer, the work has focused on retaining and strengthening an already strong brand.

In 2022, we remained highly rated in external rankings of employers in tech, IT, and digitalization, which is very gratifying. I am even prouder that our regular employee surveys show a steady development, with more and more people saying that they would recommend Knowit as a workplace. Having existing employees recommend people in their networks to join Knowit will always be one of our most effective and secure recruitment paths.

"Overall, the year has been characterized by high activity in both sales and client project deliveries."

STRENGTHENED POSITION IN THE NORDIC REGION

A key to Knowit's continued growth journey is the combination of sound organic growth, supplemented by acquisitions that in various ways strengthen us, geographically or competence-wise. In 2022, our presence in Denmark, Finland, and Sweden has been strengthened by several acquisitions. In light of the increasing uncertainty in the outside world, the interest in and need for cybersecurity solutions has increased, an area where Knowit has had a strong position for several years. The lack of competence is still large and has increased during the year, but Knowit remains one of the very top players in this area.

Knowit provides services to industries like telecom, vehicle manufacturing, finance, manufacturing industry, and retail. We have our largest presence in the public sector, which in 2022 provided almost 40 percent of our net sales. Even on a weaker market, we perceive a continued high need to develop and innovate, to adapt business models and processes to meet the need of increased automation and digitalization. This applies even more in the public sector, where digital development projects tend to be less sensitive to the economic climate.

"We continue to work to create a strong platform to continually develop a Knowit that is driving technology development into the future."

NEW SUSTAINABILITY TARGETS LAY THE FOUNDATION FOR ACTIVE ESG EFFORTS

We took yet another important step in the work to ensure that Knowit is actively contributing to sustainable societal development, with a positive environmental and climate impact and increased inclusivity, when we adopted our new sustainability targets. Combined with our existing financial targets, these ensure that we are navigating toward a long-term sustainable and profitable growth, which is an important goal for us at Knowit.

THANKS TO CLIENTS, EMPLOYEES, AND PARTNERS

Knowit consists of a strong team of passionate and committed employees who contribute with their knowledge, experience, and commitment, each day, to help companies in the Nordic region transition to a digital and sustainable society. In 2022, we have developed new, innovative solutions together with our clients and partners, thus laying the groundwork for a continued positive development in 2023.

PER WALLENTIN CEO and President

Good growth in a changing world

Knowit's financial year 2022 has been characterized by continued strong growth in a world that is changing quickly. When I summarize the year, my memories are mainly of a successful integration and consolidation of the acquisitions performed, and of the uncertainties that Russia's invasion of Ukraine and other outside factors have created.

DURING THE FIRST six months of the year, the Board retained a strong focus on Knowit's acquisition agenda, which resulted in several new acquisitions. It is the hope of the Board that the acquisitions will create value and either contribute to strengthening the position on a geographic market or create a more competitive offer in a specific segment. The acquisitions of Strømlin and 1508.dk started the year off, and have already increased the business area Experience's recognition and attractive power on the Danish market, as well as resulting in multiple new deals. The business area Solutions has also advanced its positions and strengthened its offer in Denmark through the acquisition of Miracle. Swedspot, a company with a unique position in software development and clients in the vehicle industry, has strengthened Knowit's newest business area, Connectivity. Knowit's management consultancy offer has grown through the acquisition of Marketing Clinic and Ascend, which also strengthened Knowit in Finland.

CHALLENGES ON A HESITANT MARKET

During the past year, Russia's invasion of Ukraine and other global factors have affected both macroeconomics and geopolitics. An obvious consequences is the rapidly increasing inflation and signs of a beginning recession. Naturally, this has affected Knowit's clients and has led to some hesitance in demand towards the end of the year. On the other hand, there has been a pent-up need to invest in employees after the pandemic, which has led to the Company not reaching its margin target in the short term. However, I am convinced that Knowit has a stable platform and that demand for Knowit's services will remain satisfactory even in a weaker economic climate. Knowit's large client base in the public sector is, in this regard, a strength, as the pressure for change and the demand for digital solutions that can increase the pace of the transition to a sustainable society will remain high.

A FOCUS ON SHAREHOLDERS

In 2022, we saw a negative development in Knowit's share price, primarily connected to the generally weak stock market development, but also connected to the Company's need to deliver even more on our ambitious target to achieve a positive margin development and profitability combined with growth.

During the last quarter of the year, the Board and the Corporate Management Team have initiated several activities focused on higher revenue and decreased costs and we feel secure in that the decentralized structure of the Company, with local accountability in subsidiaries, means we are ready for the challenges of 2023.



Knowit's long-term attractivity to investors is also dependent on transparency and follow-up of the Company's sustainability risks. The Board has during the year increased its focus on this area and continually followed up on the Company's sustainability work and the non-financial sustainability targets communicated at last year's general shareholders' meeting.

SUSTAINABLE GROWTH AND HOPE FOR THE FUTURE

Knowit is currently well-positioned with a competitive offer and around 4,400 professional employees who can take a leading role in the digital transition of society. I look forward to continuing working with the other Members of the Board and the Corporate Management Team and strive for successful execution of Knowit's strategy, with the goal of developing a profitable company that contributes to creating a more sustainable and humane society.

JON RISFELT

Chairman of the Board

STRATEGY AND TARGETS

A strategy driving innovation, digital transformation and a sustainable society

Knowit is a consultancy company that supports companies, authorities, and organizations in the digital transformation. We develop sustainable and innovative solutions that contribute to high business value for our clients. Our vision, our business concept, and our core values permeate everything we do.

KNOWIT'S BUSINESS MODEL



MAKERS OF A SUSTAINABLE FUTURE

Knowit's strategy is based on being a central part of the Nordic digitalization. This is done through a high presence on the market and a relevant offering when companies and organizations are searching for support in adapting their strategies and business models using digitalization and automation. Through close collaboration with clients and partners, Knowit is always at the interface between new technical innovations and the concrete efforts to develop and implement digital solutions that help companies take the next step in their digitalization journey.

An important aspect of the ongoing digitalization is that companies and organizations are thereby accelerating the shift to a sustainable society free from carbon dioxide emissions. Being a contributing factor in this shift is high up on Knowit's strategic agenda and, in 2022, the Board adopted new sustainability targets.

VISION

We create a sustainable and humane society through digitalization and innovation.

VALUE-CREATING BUSINESS MODELS

Knowit supports and drives clients' development toward more sustainable business models through a strengthened creative collaboration between different competencies and industry perspectives. We are specialists at, in close collaboration with our clients, developing new business models and digital solutions that are based on the latest technology and thereby helping Nordic companies and organizations create sustainable change and increased value.

DEVELOPING EMPLOYEE ENVIRONMENT

To ensure continuous development and that we as a company are always at the cutting edge of technical development, it is crucial to build a foundation based on sound and profitable organic growth. Continually working to be the most attractive platform in the industry for employees to work and develop is therefore a high-priority strategic target.

BUSINESS CONCEPT

We facilitate a sustainable future by combining creativity and strategy with our passion for tech and innovation.

INTERNAL EFFICIENCY

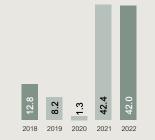
To secure profitable growth and simultaneously be the best possible support for Knowit's clients, a well-designed structure for internal efficiency is necessary. One of Knowit's strengths is the decentralized business model where innovativeness and new developments are created in the projects, close to the clients, not in the centralized administrative functions. To make use of the inherent power of the organization, an effective, data-informed work method is needed to facilitate knowledge sharing and ease collaborations between different units.

STRATEGY AND TARGETS

We are aiming for long-term profitable and sustainable growth

Knowit's financial targets, combined with the general sustainability targets, serve to ensure that Knowit aims for long-term profitable and sustainable growth. The financial targets support the strategy for continued growth both organically and through selective acquisitions.

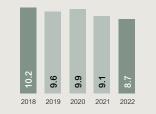
FINANCIAL TARGETS AND OUTCOMES 2022



Sales growth

TARGET: The Company shall grow more than the market, targeting an annual growth rate of around 15 percent over time. Growth is to be achieved sustainably through continued organic growth and acquisitions.

OUTCOME: In 2022, net sales grew by 42.0 percent, as compared with 42.4 percent in the previous year. Growth was 12 percent calculated as if the acquired units were included in the previous year as well.



EBITA margin

TARGET: The EBITA margin shall grow to 12 percent over time. OUTCOME: In 2022, the EBITA margin was 8.7 percent. After adjustment for acquisition and integration costs, the EBITA margin was 8.9 percent.



EBITDA in relation to net debt

TARGET: Net debt in relation to EBITDA should not exceed 2 multiples over time.

OUTCOME: In 2022, net liabilities in relation to EBITDA were 1.5.

EBITDA, SEK, millions Net liabilities, SEK, millions Net liabilities/EBITDA, multiples



Earnings per share and dividends

TARGET: The ambition is to pay dividends corresponding to 40–60 percent of profit after tax. The dividends should reflect the Board's expectations on future market development, as well as the Company's growth strategy.

UTFALL: The Board proposes a dividend of SEK 7.50 per share for 2022, corresponding to 53 percent of the earnings after taxes.

Earnings per share, SEK

Dividends, SEK Proposed dividend 2023, SEK 😑 Dividend as percentage of profit per share, %

1) Due to the increased market uncertainty resulting from the COVID-19 pandemic, the proposal regarding dividends was retracted.

ightarrow strategy and targets

General sustainability target

Knowit shall, together with clients and partners, work to actively contribute to the UN Agenda 2030 and the development of society, with a particular focus on positive environmental and climate impact, and increased inclusion.

SUSTAINABILITY TARGET AND OUTCOME 2022

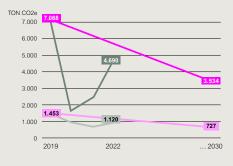
In 2022, the Board established sustainability targets for the Company. These targets are based on our vision to contribute to a sustainable and humane society through digitalization and innovation.



Sustainability target

TARGET: By 2030, 80 percent of Knowit's net sales shall contribute to at least one of the UN sustainable development goals where Knowit can make the largest difference.

OUTCOME: In 2022, 76 (67) percent of the Group's net sales contributed to one of the UN sustainable development goals where Knowit can make the largest difference.



34 38 40 40 40 66 62 60 60 60 2018 2019 2020 2021 2022

CO2 emissions

TARGET: Knowit is a climate-positive company in 2022 and shall halve CO2 emissions from its own operations before 2030 compared with its figures from 2019. Knowit is now a climate-positive company by climate-compensating with another 10 percent in addition to what is needed for climate neutrality. Read more in the Sustainability reporting on page 40.

OUTCOME: The Company's emissions are well below the levels of the emission targets.

Target, scope 3
 Target, scopes 1 and 2
 Outcome, scopes 1 and 2

Gender distribution among executives at all levels

TARGET: Knowit shall be an inclusive workplace with an even gender distribution among executives at all levels, between 40 and 60 percent over time.

OUTCOME: In 2022, the share of women among executives in the Group was 40 percent.

Share, women, % Share, men, %



\longrightarrow THE SHARE AND THE OWNERS

Four reasons to invest in Knowit

Investing in Knowit means that you as an investor share with us a belief in a future digitalized and sustainable society. For companies and organizations, digitalization is about transforming old business models, processes, and structures so they become entirely digital. We do not currently know exactly what the solutions of the future will look like for, for example, in manufacturing, retail, or healthcare. But we do know that all parts of society must change in order to us to live sustainably in the future.

THE NEED FOR DIGITALIZATION DRIVES CONTINUED GROWTH

Even on a market characterized by high uncertainty, the need to develop the digital solutions of tomorrow is large. The market forecasts indicate continued growth for the Nordic IT consultancy market. This applies in particular to operation-critical solutions for companies and organizations, which, according to Radar Group, will grow by more than 7 percent in 2023.



Knowit has for several years been among the top companies when employer branding companies like Universum and others rank the most popular workplaces. In 2022, Knowit was also one of the companies at the top in LinkedIn Top Companies Sweden, ranking the best companies for career development

KNOWIT HAS A LONG HISTORY OF STRONG GROWTH, PROFIT, AND DIRECT RETURNS

Since 2005, Knowit has increased its net sales year on year and increased its profit annually since 2016. Our growth strategy is based on a foundation of sound and profitable organic growth, supplemented with acquisitions that strengthen the operations geographically or competence-wise. Our goal is to give our shareholders an annual dividend of 40-60 percent of the profit.

KNOWIT'S SOLUTIONS CONTRIBUTE TO A SUSTAINABLE AND HUMANE SOCIETY

During 2022, Knowit established new sustainability targets with the aim to clarify and follow up on its contributions to the sustainability challenges of society. Knowit has a clear and tested model for value creation, an interesting portfolio of development projects, and a clear vision to contribute to a sustainable and humane society.

THE SHARE AND THE OWNERS Increased dividend for 2022

KNOWIT'S SHARE HAS been listed on the Nordic Exchange in Stockholm since 1997, and was moved from the Small Cap list to the Mid Cap list in January 2018. As of December 31, 2022, Knowit's market value was SEK 5,586 million.

DEVELOPMENT OF SHARE CAPITAL

As of December 31, 2022, Knowit's share capital was SEK 27.4 million, distributed across 27,408,600 shares at a quota value of SEK 1 each. All shares carry the same number of votes and the same rights to dividends.

THE SHARE'S DEVELOPMENT

The share price at the end of the financial year was SEK 203.80 (375.50) per share, corresponding to a total market capitalization of SEK 5,586 (10,291.9) million. During the year, the share price decreased by 44 percent, which can be compared with a decrease of 25 percent for OMX Nasdaq Stockholm PI and a decrease of 36 percent for SX10PI OMX Nasdaq Stockholm Technology PI.

The highest price paid during the year was SEK 375.00 (399.00) on January 3, 2022, while the lowest price was SEK 196.20 (256.00) on October 26, 2022. During the financial year, 9.4 (11.8) million Knowit shares were traded on Nasdaq Stockholm, or an average of 36,979 (46,544) shares per trading session. The number of shares traded corresponds to 34.3 (42.9) percent of the total shares at year-end.

The share was traded on all 253 trading days of the stock market.

SHAREHOLDER STRUCTURE

The total number of shareholders as per December 31, 2022, was 12,838 (13,572). The ten largest shareholders controlled 53 percent of equity and votes. The proportion of Swedish shareholders was 59 percent of equity and votes, and 41 percent were foreign shareholders.

At the turn of the year, the nine members of the Corporate Management Team owned at total of 87,521 shares. The Members of the Board owned a total of 10,245 shares. During the year, the Company has worked actively to communicate with existing and future shareholders, to ensure a broad and correct understanding of the Company and its prospects for the future.

DIVIDEND POLICY

The Board has adopted a dividend policy where the ambition is that the dividend shall be 40-60 percent of the profit after taxes. The dividend shall reflect the Board's view on the expected market development and the Company's growth strategy.

INCREASED DIVIDEND

The Board suggests to the AGM a dividend of SEK 7.50 per share for the financial year, totaling SEK 205.6 (191.9) million. Like in the previous year, payments of dividends will be made at two occasions during the year. The Board's suggestion is therefore for dividends of SEK 3.75 with a planned record date on May 4, 2023, and SEK 3.75 with a planned record date on November 16, 2023.

DIVIDENDS, SEK, MILLIONS

	2018	2019	2020	2021	2022
To the shareholders in Knowit AB	92.5	114.3	_ 1)	139.0	191.9
Dividends paid out	99.1	122.9	8.4	152.0	204.1

 The Board retracted its proposal for a dividend of SEK 6.40 per share for the financial year 2019. The decision was made to prioritize the Company's financial stability given the uncertain situation resulting from the COVID-19 pandemic.

FIFTEEN LARGEST SHAREHOLDERS, DECEMBER 31, 2022

Shareholder	shares and votes	of share capital
Formica Capital AB	3,390,000	12.37
JCE Group	2,323,237	8.48
Lannebo Fonder	1,999,556	7.30
Mawer Investment Management	1,848,852	6.75
Swedbank Robur Fonder	1,198,627	4.37
Nordea Fonder	1,056,555	3.85
Highclere International Investors LLP	783,053	2.86
LOYS AG	749,311	2.73
Handelsbanken Fonder	634,180	2.31
Grandeur Peak Global Advisors, LLC	555,656	2.03
Danske Invest	545,937	1.99
Fidelity Investments (FMR)	476,218	1.74
Dimensional Fund Advisors	458,677	1.67
Didner & Gerge Fonder	448,459	1.64
Öhman Fonder	368,514	1.34
TOTAL, FIFTEEN LARGEST SHAREHOLDERS	16,836,832	61.4
TOTAL, OTHER SHAREHOLDERS	10,571,768	38.6
TOTAL	27,408,600	100.0

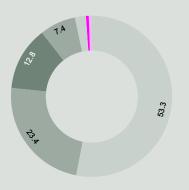
DATA COMPILED BY MONITOR.

OWNERSHIP DISTRIBUTION, DECEMBER 31, 2022

Ownership	Number of owners	Number of votes	Number %
1-500	11,483	948,412	3.50
501-1,000	678	556,756	2.03
1,001-5,000	519	1,117,518	4.10
5,001-10,000	46	337,525	1.26
10,001-20,000	33	490,097	1.79
20,001-	79	23,958,292	87.32
TOTAL	12,838	27,408,600	100.00

SOURCE: EUROCLEAR. IN THE OVERVIEW OF DISTRIBUTION OF SHAREHOLDINGS, HOLDINGS HAVE NOT BEEN GROUPED.

THE SHARE AND THE OWNERS



OWNERSHIP DISTRIBUTION, **DECEMBER 31, 2022**

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ownership category	/0
Fund managers	53.3
Others	23.4
Private Swedish shareholders	12.8
Anonymous ownership	7.4
Pension and insurance	2.2
Foundations	0.5
Government, municipalities, and regions	0.4
TOTAL	100.0



INCLUDING INDEX 2018 - 2022

Knowit
OMX Stockholm PI

OMX Stockholm Technology PI

Number of shares traded per month, 000s

SOURCE: NASDAQ OMX NORDIC

ΠΔΤΔ	COMPIL	FD	RY	MONITOR	

CHANGES IN THE SHARE CAPITAL IN THE LAST FIVE YEARS

Activity	Change in no. of shares	Total no. of shares	Quota value, SEK	Change in share capital, SEK M	Totalt share capital, SEK M
Off-set issue 1)	81,702	19,220,919	1	0.1	19.2
Off-set issue ²⁾	32,841	19,253,760	1	0.1	19.3
-	-	19,253,760	1	-	19.3
New issue in kind ³⁾	398,419	19,652,179	1	0.4	19.7
Off-set issue 4)	209,824	19,862,003	1	0.2	19.9
Cash issue ⁵⁾	1,785,714	21,647,717	1	1.7	21.6
New issue in kind ⁶⁾	5,760,883	27,408,600	1	5.8	27.4
-	-	27,408,600	1	-	27.4
	Activity Off-set issue 1) Off-set issue 2) - New issue in kind 3) Off-set issue 4) Cash issue 5) New issue in kind 6)	Activity Change in no. of shares Off-set issue 1) 81,702 Off-set issue 2) 32,841 - - New issue in kind 3) 398,419 Off-set issue 4) 209,824 Cash issue 5) 1,785,714 New issue in kind 6) 5,760,883	Activity Change in no. of shares Total no. of shares Off-set issue 1) 81,702 19,220,919 Off-set issue 2) 32,841 19,253,760 - - 19,253,760 New issue in kind 3) 398,419 19,652,179 Off-set issue 4) 209,824 19,862,003 Cash issue 5) 1,785,714 21,647,717 New issue in kind 6) 5,760,883 27,408,600	Activity Change in no. of shares Total no. of shares Quota value, SK Off-set issue 1) 81,702 19,220,919 1 Off-set issue 2) 32,841 19,253,760 1 - - 19,253,760 1 New issue in kind 3) 398,419 19,652,179 1 Off-set issue 4) 209,824 19,862,003 1 Cash issue 5) 1,785,714 21,647,717 1 New issue in kind 6) 5,760,883 27,408,600 1	Activity Change in no. of shares Total no. of shares Quota value, ster share capital, set with SEX Off-set issue 1) 81,702 19,220,919 1 0.1 Off-set issue 2) 32,841 19,253,760 1 0.1 - - 19,253,760 1 0.1 New issue in kind 3) 398,419 19,652,179 1 0.4 Off-set issue 4) 209,824 19,862,003 1 0.2 Cash issue 5) 1,785,714 21,647,717 1 1.7 New issue in kind 6) 5,760,883 27,408,600 1 5.8

Off-set issue in connection with acquisition of Knowit Dataess AS and non-controlling interest shares in Knowit Experience AS and redemption of synthetic options in Knowit Skåne AB.
 Off-set issue in connection with acquisition of All Rise Media AB.
 New issue in kind in connection with acquisition of Creuna AB, Creuna AS, Creuna Danmark A/S, and Creuna Finland Oy Ab.
 Off-set issue in connection with the already performed acquisitions of Creuna AB, Creuna AB, Creuna AS, Creuna Danmark A/S, and Creuna Finland Oy Ab.
 Off-set issue in connection with the already performed acquisitions of Creuna AB, Creuna AS, Creuna Danmark A/S, and Creuna Finland Oy Ab.
 Targeted new issue to Swedish and international investors.
 New issue in kind in connection with acquisition of Cybercom.

DATA PER SHARE IN THE LAST FIVE YEARS

	2022	2021	2020	2019	2018
Number of shares on balance sheet date, 000s, basic	27,409	27,409	19,652	19,254	19,254
Number of shares on balance sheet date, 000s, diluted	27,409	27,409	19,652	19,254	19,254
Average number of shares, 000s, basic	27,409	23,726	19,280	19,254	19,191
Average number of shares, 000s, diluted	27,409	23,726	19,280	19,254	19,191
Earnings per share, SEK, basic	14.05	12.24	12.96	12.06	11.62
Earnings per share, SEK, diluted	14.05	12.24	12.96	12.06	11.62
Equity per share, SEK, basic	152.74	141.73	77.90	63.63	56.68
Equity per share, SEK, diluted	152.74	141.73	77.90	63.63	56.68
Cash flow per share, SEK, basic	-13.27	7.48	20.76	4.35	4.81
Cash flow per share, SEK, diluted	-13.27	7.48	20.76	4.35	4.81
Dividend per share, SEK	7.50 1)	7.00	7.00	-	5.80
Share price, SEK	203.80	375.50	311.50	208.50	153.60
P/E ratio, multiples	14.5	30.7	24.0	17.3	13.2

1) Proposed dividend



MARKET AND TRENDS

Knowit is stable in a changeable world

In a world characterized by increasing uncertainty as a result of an ongoing war, rising energy costs, component shortage, and inflation, new challenges and opportunities arise. In 2022, we saw that companies' need for support in their digitalization processes remained high, despite increased concern about a possible recession. The significance of innovation and new technology continues to increase markedly, and several analyst firms have highlighted a need for continued digitalization and automation in order to deal with the transition required to remain competitive in the future. Knowit has a strong position on the Nordic digitalization market and therefore has an important role to fill, as many companies try to navigate in an increasingly complex society.



THE NEED FOR digitalization and automation is driving continued development. The digital transformation is always taking place, just like companies' efforts to adapt their business models and strategies to secure long-term operability in a changing market. The analyst firm Radar Group ¹ highlights the need for technology that creates control over relational streams, transaction streams, and data streams in the digital economy. According to Radar

1) Radar Group: State of the nation 2023.

Group, the ability to create technical dominance, for instance in data centers, cloud, 5G, AI, and Edge, is a key to success, where digitalization and automation will separate winners from losers. Overall, IT budgets in Sweden are expected to increase by 0.7 percent in 2023 and by 4.3 percent in 2024. In total, the analyst firm estimates that almost SEK 5 billion will be spent on tech and IT in 2023.





Operation-financed IT - the software, systems, and processes that drive operations and revenue - are estimated to increase by 7.6 percent in 2023. According to the analyst firm Gartner.²⁾ more than three quarters of the teams in charge of digital products are also in charge of revenue creation in companies. During 2022, demand for projects that create increased automation in the core operations of companies have also increased - a trend expected to remain for the next few years. Knowit has supported companies, organizations, and authorities in this work for many years and is well-positioned to continue gaining market shares over the coming years.

TECH TRENDS SETTING THE TONE

In various analyses ³⁾ of tech trends for 2023, several relevant areas have been highlighted that showcase Knowit's strong position as a supplier of services in digitalization and tech development.

Innovation with new data from AI

Within data analytics, machine learning is used to shape complex models and algorithms that are suitable for predictive analysis. The interplay between machine learning and testing of which algorithms are best in their predictions speeds up the work process and makes it possible to manage and analyze large amounts of data quickly. By learning from past connections and trends in data, these analytical models can provide reliable decision support and repeatable results. Knowit helps companies in several sectors to develop models for data analysis and machine learning, which can improve both understanding and precision. A good example is the Norwegian

hydroelectric plant where AI-based models are assisting in analyzing and predicting changes in the water environment, thereby creating a better understanding of the interplay between fish and their environment.

One trend that has been highlighted for 2023 and onward is so-called generative AI, a term used broadly to describe all types of artificial intelligence that uses surveilled learning algorithms to create new digital objects, such as images, video, audio, text, and code. The aim of a generative AI model is to generate synthetic data that force the model to draw conclusions about what is most important in the data. The technology is playing an increasingly important role when repetitive processes are automated. Generative AI is also used experimentally in manufacturing, as a tool for quick production of prototypes and improvement of data reinforcement in automation of robotic processes.

Al that can generate content. This can be used to create a large range of different things – such as writing code for software, speeding up pharmaceutical development, or targeted marketing. Currently, generative AI is behind less than one percent of all the data being produced, but Gartner estimates that this figure will be 10 percent in 2025.4)

Cloud-based platforms create new ways to develop products

As most public and private organizations have migrated older information systems to the cloud, development teams are now using frameworks for the cloud and platforms to develop new applications. This new way of developing products is driven by accelerated cycles in product deve-

Petaste tekniktrenderna 2022 [Hottest tech trends 2022], Gartner's list, CIO Sweden (idg.se).
 According to a mapping by the management and tech consultancy firm BearingPoint.
 Hetaste tekniktrenderna 2022 [Hottest tech trends 2022], Gartner's list, CIO Sweden (idg.se).



lopment, scalable services, innovative cloud functions, and hyper-automated technologies.

For instance, the expansion of the 5G network is ongoing in both the Nordic region and globally. This is a crucial building block in a society where communication between people, companies, and machines must be effective and sustainable. Knowit is helping players in the telecom industry to restructure their software infrastructure and virtualize network functionality to run in the cloud, which makes it possible for telecom companies to modernize their networks and thereby speed up the transition to 5G. This work creates flexible solutions for the players that are now working to upgrade to 5G, which reducing energy usage and other costs, as well as the dependency on specific hardware.

Embedded data and analysis

Management of data has become increasingly important and competition-critical for many companies. Those that have the ability to take a holistic view and continually embed data and analyses in their operations create prime conditions to become competitive on their respective markets. Using embedded analysis, companies can create a modern data experience by integrating reports, dashboards, models, data visualizations, and other types of business intelligence (BI) in a single interface. This effective overview makes it easy to get a clear idea of an analysis, create more in-depth insights, and make faster, more data-based decisions.

A retained focus on cybersecurity

A well-developed structure for cybersecurity has become the most important building block for our digital future. The threat of war has increased awareness of the importance of cybersecurity at all levels, and many corporate executives state that the most serious threat to growth is connected to cyber risks.

Society is now entirely dependent on IT, while also being subjected to more and more cyberattacks, in both the private and the public sector. There are also many new possibilities to develop our society through digitalization that are not being used fully. One explanation why companies and authorities are not making use of the possibilities is that they perceive it to be hard to work proactively with digital security when the technical development is moving faster than ever. It is also a challenge to adapt the operations to the laws and guidelines that follow in the wake of digitalization.

To become truly great at cybersecurity, you need many perspectives and experiences. These exist in the area between IT, law, and business. Security is also a strategic matter that should involve the board and corporate management to futureproof the organization. Only then can the organization make full use of the possibilities, while also contributing to a safer digital society.

The EU has named 2020-2030 "The Digital Decade" and announced to goal of increasing IT competence, digitalizing both the private and the public sector, and creating a secure and sustainable digital infrastructure. In the cyber segment, a large number of laws and guidelines are being developed, such as the AI Act, NIS 2.0, Dora, the Data Act, and the Cyber Resilience Act. The development means that business and system development projects require legal expertise to ensure that the organization has the possibility to navigate well. Knowit has a unique position in this area, which several lawyers that have the competence needed for such projects.

TECHNOLOGY AND SUSTAINABILITY

It is becoming more and more important for companies to connect innovation to sustainability and business value, to contribute to the global climate targets. Knowit has a unique possibility to use its expertise in innovation and sustainability, to provide solutions to meet the main global challenge of our time: climate change.

Aside from contributing to managing environmental and climate change, technology plays a large role in improving the social aspects of an organization – for instance by improving the workplace culture, increasing diversity, equality, and inclusion among employees, and improving education. More than anything else, this is about environmental sustainability, especially when it comes to solutions for energy savings in IT services and using analysis and traceability for renewable energy.

Knowit has chosen to integrate sustainability and climate in both its business concept and its strategy. Knowit's ambition is to become a leading solution and consultancy supplier in sustainability and innovation. In 2022, new sustainability targets were adopted, serving to clarify the connection between the Company's vision of contributing to a sustainable and humane society through digitalization and innovation.

The metaverse – erasing the boundaries between the real world and the digital world

One term that is being used more and more often in the tech world is the metaverse, a network of connected 3D worlds, with VR and AR headsets simplifying social contacts. This is a lasting, living digital universe that provides the individual with a sense of social presence, and is sometimes described as a development of the present day internet. There are several examples of social channels and games where our social interactions in the physical world influence and are influenced by our physical interactions.

There is no uniform definition of the metaverse as yet, nor is there a joint view on how, when, and where this will develop. The pandemic revealed a huge need for using technology as support when resources were lacking or when physical interactions and meetings were impossible or even dangerous. In a possible future scenario, physical goods and meetings are replaced with digital ones, real presence is replaced by virtual interactions, and the physical world can be optimized using digital twinning, which can help companies report their main decreases in carbon dioxide emissions.

For Knowit and other players in the tech industry, this development means that companies and organizations need support to gain understanding and design strategies for how the technology of today can be used to approach the reality of tomorrow.



OPERATIONS AND BUSINESS AREAS

Four collaborating specialist areas

Knowit's business concept is to facilitate for a sustainable future by combining creativity and strategy with a passion for tech and innovation. Through its four business areas, Knowit develops long-term sustainable and innovative solutions with high value for clients and society.



KNOWIT INTERACTS WITH purchasers in different parts of client organizations through its four business areas. The four business areas are: Solutions, system development and technology-associated services; Experience, digital communication solutions and data-driven customer experiences; Connectivity, development of embedded systems, security applications, and cloud services; Insight, management consulting and organizational development.

FOUR BUSINESS AREAS IN CLOSE COLLABORATION

Digital solutions that Knowit develops along with its clients and partners are found in all parts of society, from school, healthcare, and authorities, to e-commerce, transport, security solutions in vehicles, and new energy systems. Knowit's ambition is to contribute to solving the sustainability challenges of society by providing wide competence in new technology and digital transformation, where the solutions to many of the largest challenges for society, such as climate change, are dependent on the ability of humankind to implement new technology.

With an agile work method and client-tailored solutions, Knowit has a strong position on the Nordic digitalization market, with a presence in Denmark, Finland, Norway, and Sweden, as well as in Poland and Germany. In 2022, several acquisition have been performed to strengthen the Group further.

Knowit's business areas are organized in local and autonomous subsidiaries, where business decisions are taken close to the market and clients. This makes Knowit's organization agile and flexible, while also enabling clear follow-up and governance of the operations.

A STRONG CLIENT OFFER

The four business areas are based on their clients' needs for support in different parts of their organizations. The business area Solutions usually collaborates with the ope-

OPERATIONS AND BUSINESS AREAS

rative and IT departments of their clients. Experience's clients are often sales and market departments, while Connectivity mostly works with research and development departments. Insight usually works with corporate executives and management teams.

Knowit's clients often need services from multiple business areas. This means that projects can be performed with support and competence from several business areas. These are collaborations that develop the business of both Knowit and its clients.

BROAD DISTRIBUTION ACROSS CLIENT INDUSTRIES

Knowit's broad and specialized offer means that clients are found in many different industries. The distribution of sales is relatively stable, with the highest proportion of net sales in the public sector, at 39 percent in 2022. The shares in retail, banking and finance, and the manufacturing industry are also significant industries for Knowit.

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 born out of development projects, that are currently important supplements to other services and offers within Knowit, both as a value creator in client relationships and as a contribution to an innovative environment for Knowit's employees. Making use of the drive and knowledge found in Knowit's organization is an important part of the Company's culture and there are several examples where innovative power and commitment have resulted in various product solutions.

In 2022, Knowit sold its non-controlling interests in the Norwegian fintech company Stacc AS. Further examples of platforms and products developed and offered from various parts of Knowit include Dploy – a user-friendly platform for automating processing of loan applications, Zizr – a solution that combines advanced technology and artificial intelligence to provide clients with a realistic clothes size for online purchases, BlueGo – an application framework and software for Bluetooth, and SignPort by Knowit – a holistic service for digital signatures.

A SMARTER SOCIETY

Knowit works with its clients to develop and implement strategies where digitalization and new technology enable solutions that facilitate everyday life and quality of life for people, while also helping the environment and our planet.

Solutions

	2022	2021	acquisitions
Sales, SEK, million	3,924.4	2,807.5	3,455.2
EBITA, SEK, million	398.6	318.3	377.2
EBITA margin, %	10.2	11.3	10.9
Number of employees	1,931	1,750	1,880

Solutions is Knowit's largest business area, with operations on all of Knowit's markets in the Nordic region and with smaller operations in Germany. Around 1,900 consultants offer cutting-edge competence in all parts of the system development process: from idea, architecture and project governance, to programming, implementation, testing, and security. Innovation and bespoke system solutions creates increased possibilities to ensure that clients' operations develop in step with the latest technology and changing business needs.

In 2022, Solutions' position has been strengthened significantly, primarily in Denmark, through the acquisition of Miracle. Thanks to the acquisition, Solutions' Danish operations doubled in size and the offer was supplemented primarily with services connected to open source technology and Microsoft's development tools for .Net and Azure, among other things.

SYSTEM SOLUTIONS FOR A MORE STREAMLINED PUBLIC SECTOR

In the Nordic region, the business area Solutions has the single greatest share of its clients in the public sector. Knowit Solutions also supports larger companies in retail and e-commerce with payment solutions and AI solutions. In the telecom industry, the business area Solutions has several larger clients, with long-term relationships, where they develop new system solutions and are in charge of application management. Here, deliveries more often occur through agile teams. In banking and finance, some clients are found among the more niche entities that challenge older business models.

COMMENTS FROM THE HEAD OF SOLUTIONS

"During the year, our operations have been strengthened through both recruitment and the acquisition of Miracle. Our position in the Nordic region is strong and companies' need for digitalization drives demand even in a weaker economic climate," says Åsa Holmberg.

Experience

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	2022	2021	acquisitions
Sales, SEK, million	1,585.4	1,306.8	1,390.5
EBITA, SEK, million	167.8	131.9	145.8
EBITA margin, %	10.6	10.1	10.5
Number of employees	1,000	929	969

2021 incl

The business area Experience is one of the leading digital agencies in the Nordic region, with around 1,000 specialists at the interface between technology and communication, who take responsibility for the entire digital customer experience. In the client projects, which are staffed with various specialist competences in web and mobile technology, design, data analysis, and marketing, Experience helps companies and organizations achieve their business-critical goals in marketing and sales.

In early 2022, the business area's position in Denmark was strengthened through the acquisitions of the design agency 1508.dk and the tech agency Strømlin ApS. Throughout the year, the business area has also had very high organic growth and saw strong demand toward the end of the year.

OPERATIONS AND BUSINESS AREAS



DATA-DRIVEN CUSTOMER EXPERIENCES

Knowit Experience's relationships to its clients are typically a combination of short-term project assignments and long-term partnerships. This might involve, for instance, an increased need for a faster shift of sales to e-commerce solutions, with a focus on data-driven customer experiences and increased sales.

Experience has more clients in the public sector, where they in various ways contribute to creating better and more accessible societal services for individual citizens.

COMMENTS FROM THE HEAD OF EXPERIENCE

"In 2022, we reached the milestone of 1,000 employees in the business area. Our clients request our competence to support them in developing their customers' digital experiences. I am proud of how well we have succeeded on an increasingly challenging market this year," says Fredrik Ekerhovd.

Connectivity

	2022	2021	acquisitions
Sales, SEK, million	1,040.3	479.4	879.6
EBITA, SEK, million	118.6	48.3	85.3
EBITA margin, %	11.4	10.1	9.7
Number of employees	773	659	693

Connectivity combines technical expertise and business competence for innovative, secure, and sustainable solutions in IT and communication technology. The business area is primarily active in product, system, and service development of embedded systems, cloud solutions, and security applications.

The business area, with its around 800 consultants in Sweden and Poland, is a leading supplier to clients in the telecom industry, the vehicle industry, the manufacturing industry, and to research and development departments.

In 2022, Connectivity acquired Swedspot, a company with a strong focus on software development for the vehicle industry. The acquisition is an important supplement to the business area's existing offer in embedded systems, with both a broad competence in software development and a unique platform for smart services in connected vehicles.

A CONNECTED WORLD

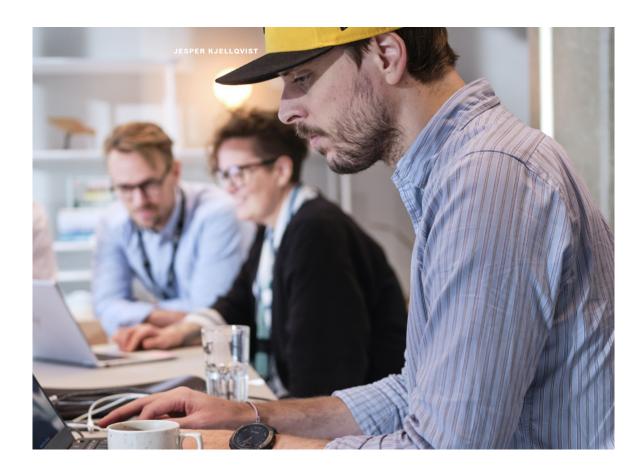
Knowit Connectivity is specialized in development of 5G technology, at the absolute cutting edge of digitalization. The platform enables usage of artificial intelligence (AI), the internet of things (IoT), and extended reality (XR). Thus, it has potential to decrease costs, energy usage, emissions and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

To make full use of the possibilities of cloud services, we need to see beyond the technology and understand the potential of cloud use to increase organizational efficiency in a scalable manner. The demand for cloud services is increasing, not least from clients in retail companies, insurance companies, and the industrial sector.

COMMENTS FROM THE HEAD OF CONNECTIVITY

"During the year, we have worked hard to strengthen our offer toward both new and existing clients. The need for the specialist knowledge of our consultants

\longrightarrow OPERATIONS AND BUSINESS AREAS



is high, which has contributed to strong demand throughout the year. Thanks to our Polish unit delivering competence to several Swedish projects, the margin has improved," says interim head of the business area, Bo Strömgvist.

Insight

	2022	2021	2021 Incl. acquisitions
Sales, SEK, million	730.8	489.2	697.4
EBITA, SEK, million	68.6	50.0	76.8
EBITA margin, %	9.4	10.2	11.0
Number of employees	553	389	497

Specialists at Knowit Insight support their clients in creating agile organizations and performing digital transformations, from idea to result. In close collaboration with the client, they create methods and model based on the client's challenges and unique market circumstances.

In 2022, the business area has grown rapidly and now has around 550 employees. Thus, Knowit Insight is an established player on the Nordic management consulting market. Primary offers from Insight include data-driven growth, organization and strategy development, security, e-health, and sourcing. Demand for services in data security has been particularly high this year, driving by increased global uncertainty. This fall, an increased demand for projects related to optimization of cash flow and operating capital could be seen.

The business area was strengthened through the acquisitions of Finnish Marketing Clinic and the Swedish sister companies Ascend and Ionic. The new units have significantly increased the offer in profitability optimization and commercial excellence, which are also areas with continued high demand, even in a more hesitant economic climate.

COMMENTS FROM THE HEAD OF INSIGHT

"After a few years of strong growth, this year has been characterized by hard work to broaden and strengthen the offer in all Nordic countries. We have recruited many new employees and worked to integrate the acquisitions performed. Overall, we have built a stronger unit that is well-equipped to support Nordic companies in their transformation efforts," says Carin Strindmark.

CUSTOMER CASES

Assignments that create long-term value

Together with our clients, we create the digital solutions of the future, for increased client value and sustainability. Find out about some of our clients' challenges, solutions, and outcomes.





Digitalization of Norwegianowned hydroelectric plant

On assignment from Sweco, Knowit has helped Statkraft, Europes' largest producer of renewable energy, to digitalize a hydroelectric plant in southern Sweden. With a safe and flexible industrial IoT (Internet of Things) solution, the technicians' work has been streamlined and signals from the plant can now be reviewed with greater precision, thanks to more sensors being installed inside the plant.

ENABLING MONITORING AT A DISTANCE

Within the framework of the project, Knowit's system developer has analyzed the power station's mainframe computer and analyzed signals sent to it from the power station. The project resulted in an application enabling for Statkraft's engineers to both control and monitor the entire power station remotely, using an iPad, phone, or computer. In the past, the engineers had to travel by car back and forth to the facilities. Now, both time and energy are being saved.

Thanks to a successful project, there are already plans to automate the work with machine learning and digitalize more of the company's hydroelectric power plants.



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Welfare technology for safer everyday life

When the municipal health care organization in Uppsala began the work of implementing welfare technology to increase security, it hired Knowit to drive the projects. There was a need to make use of lessons learned from both internal projects and other municipalities' work with welfare technology, in order to create a framework for implementing welfare technology.

Technology to create security, so-called welfare technology, serves to give people support in their everyday life and thereby create a sense of security. Examples of welfare technology include keyless home care, security alarms, GPS alarms, and nighttime camera surveillance.

CLEAR DIRECTION FOR CONTINUED DEVELOPMENT

Thanks to long experience from working in municipal operations, Knowit could support the organization in its work preparing for the procurement. In close collaboration with the client, project directives were developed, as well as an overall project plan. An initial supplier inventory was done and market dialogue initiated. In addition, existing safetycreating welfare technologies and existing contract relationships were mapped. Contacts were taken with several other municipalities to gather experience in the field.

The work resulted in decision support for prioritizing and continuing work on the procurement, as well as a framework that will serve as general support in the organization's work to implement welfare technology. The framework defines steps that must be taken and contacts that are needed to ensure that various welfare tech initiatives are managed in an efficient way. Future steps in the implementation of welfare tech can now be taken with a clearer sense of direction.

CUSTOMER CASES



IMAGE: ENGCOM

Increased automation and increased sustainability

Engcon is a world leader in tilt rotators and associated tools that increase the efficiency, flexibility, profitability, safety, and sustainability of excavators. A tilt rotator is a tool that enables for an excavator to be rotated hydraulically. Engcom offers a unique tilt rotator system that transforms the excavator into a tool carrier that can replace other machines.

NEW METHOD FOR CONFIGURATION OF STEERING SYSTEM

In order to help drivers maneuver the excavator from behind the wheel, a steering system has been developed to translate the signals sent by the driver to the rotator. In the fall of 2020, the company wanted to make a change to its software development and contacted Knowit, in a collaboration that means Knowit has taken full responsibility for development of steering system software and for some hardware design, in order to manage the global component shortage.

Within the framework of Knowit's Innovation Zone, a new project is being tested in collaboration with Engcon. The project aims to develop a method for configuring the steering system automatically after installation, using machine learning. With an automated configuration process, installation time and fuel usage are decreased, making an important contribution to a sustainable society.



MAGE: LUKAS ZISCHKE, UNSPLASH

Norway's path to zero emissions

By 2030, Norway has the goal of having halved its greenhouse gas emissions and by 2050 they are supposed to be completely erased. This is a high-priority goal that takes patience, commitment, and clear communication with all the different stakeholder groups in society.

The Norwegian Climate Foundation is Norway's green think tank, a non-profit foundation that works broadly in the climate and energy field with Norwegian universities, colleges, and research centers. With the vision of a society without man-made greenhouse gases, the foundation disseminates knowledge and ideas on climate change and climate solutions, including through extensive publicist work.

A NEED TO VISUALIZE PROGRESS

The foundation identified a need to easily show how the country is doing in its climate shift, and asked Knowit for help. The result, tilnull.no, is a web portal that in a simple way shows relevant data on the development of greenhouse gases and the willingness to change Norwegian businesses in a more climate-friendly direction.

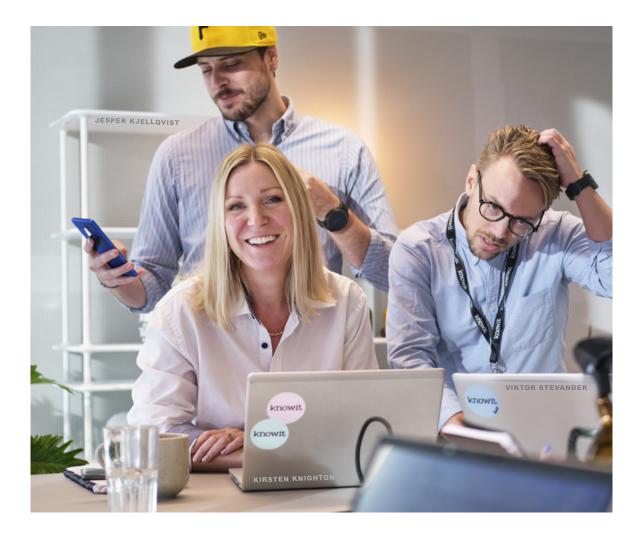
The web portal is a change barometer that gathers daily data from Statistics Norway and the Norwegian Environment Agency, and works like a live broadcast in relation to Norway's goals of halving climate emissions by 2030 and reaching zero emissions by 2050. At all times, it shows how Norway is doing relative to the goals, at both the national and regional level, and by industry. In development, a strong focus was on usability and making complex publicly available data easy for the public to understand.

The main target group is journalists and high school students and the hope is to stimulate them to change habits and climate-friendly actions by showing data in an attractive and accessible manner. The first version has been launched and the goal is to supplement it with data on further climate goals in the coming years.



An innovative and value-driven workplace

Knowit is an idea- and value-driven company that encourages innovation, entrepreneurship, and personal commitment. The Company's way of working and organizing our work matches the changeable world of today, with new technology, new work methods, and new business models.



DECENT AND CLOSE with a passion for innovation. At Knowit, we are Makers of a sustainable future. This means that we take part in creating the secure and sustainable solutions of the future using innovation and digitalization. An ambitious vision that is possible to achieve thanks to a strong culture and strong basic values about a sustainable society. Our success is created in the meeting between responsible leaders and employees, where respect for every person's value, along with openness and honesty, guide our daily work.

- We are decent.
- We are close by and available.
- We love innovation.

Knowit is characterized by its decentralized organization, which emphasizes self-leadership and each person's ability to take responsibility. This helps us grow, as people and as professionals. To reinforce, develop, and futureproof leadership at Knowit, we have introduced a new leadership philosophy and guiding principles during 2022.

This is a joint framework that summarizes what leadership at Knowit means. A digital education on the philosophy and the principles will be presented to all employees in January 2023. During the year, we will also introduce a shared toolbox with tools for estimating existing abilities and develop others.

During 2022, more structured efforts on leadership and succession planning have been undertaken, to simplify for internal rotation and development possibilities in the entire organization. This work will continue throughout 2023.

WE ARE LEARNERS NOT KNOWERS

Working at Knowit means being curious and wanting to learn new things. We know that creating a learning organization requires both the right attitude toward development and tools and structures that facilitate collaboration and simplify knowledge sharing. In 2022, we have therefore introduced a group-wide digital learning platform that facilitates learning throughout the employee journey, from when a new employee first joins us. The platform is a shared tool, where we can easily disseminate knowledge and build on each other's ideas. In this way, we can made better use of our size, while we grow.

The learning process has its greatest impact when new experiences are applied every day, meaning there are large development possibilities in existing assignments. The role as a consultant thus enables for further development in the environment that Knowit offers. Furthermore, Knowit provides many areas for learning in the form of competence networks, academies, certification programs, development programs, hackathons.

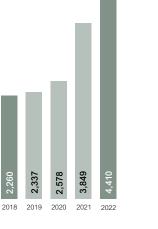
Knowit has a unique mix and breadth of competences in the organization, creating opportunities for both clients and employees. A large part of competence development takes place in Knowit's own "Academies," which are run be experienced consultants with expertise in selected competence areas. Several academies involve some form of external exam or lead to a certification.

PROUD EMPLOYEES RECOMMEND KNOWIT

Within Knowit's entrepreneurial and innovative organization, there are high levels of commitment and drive among proud and satisfied employees. This is apparent through our regular eNPS measurements, which clearly show our ability to attract and retain talent. In 2022, eNPS had increased to 38, compared with 30 a year ago. The reference value in Knowit's sector is 16. This means that a majority of Knowit's employees are so-called Ambassadors, an important parameter for a company in recruiting new employees and growing organically. During this year, we have introduced Get to Knowit, a digital onboarding process for new employees, that further strengthens our ability to create commitment and a sense of community among new employees.

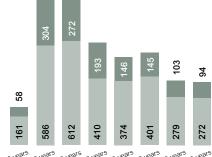
ECO-SYSTEM FOR GROWTH - A STRENGTHENED PLATFORM FOR SCALING SOUND INITIATIVES

In 2022, we have continued to develop our group-wide functions to provide better support to our decentralized structure and ensure that we get leverage through our size and breadth, by creating a solid platform for scaling sound initiatives and creating a forum for collaboration. We collaborate and share knowledge more and more, but harmonize only where it gives us strength. We make sure to safeguard the large, local scope of action and freedom, to retain closeness, speed, and relevance.



NUMBER OF EMPLOYEES AT YEAR-END

Knowit has 4,410 (3,849) employees as of December 31, 2022. The average number of employees for 2022 is 3,877 (2,980), of which around 89 percent are consultants. Other employees are in sales, finance, administration, and group-wide functions



<26 Years 30 Years 36 Years 36 40 Years 41.45 Years 50 Years 51.55 Years 755 Years</p>

AGE STRUCTURE

Of our employees, 70 (72) percent are men and 30 (28) percent women. The average age among men is 40 (40) years and among women it is 38 (39) years. Overall, average age is 39 (40) years.

Women

Men



A SUSTAINABLE WORKPLACE THROUGH EQUALITY AND INCLUSION

Groups that are characterized by diversity and inclusion have a higher degree of innovation and creativity, which makes them more competitive. For us, it is a matter of course that all employees shall be treated equally, regardless of age, gender, sexual orientation, ethnic background, or faith. Since 2017, Knowit works with a program for equality, diversity, and inclusion, where one of the goals is to increase the proportion of women in executive positions. Aside from the business benefits of having an organization characterized by diversity, it is important that Knowit is a company that individuals seek out, where they can develop in line with their career ambitions, and feel at home, regardless of what gender they identify as.

At the end of 2022, the proportion of women working at Knowit was 30 percent. One of Knowit's sustainability targets is having 40-60 percent women among managers in charge of setting salaries and recruiting, as this is an important success factor to increase the total proportion of women in the Company. In 2022, this goal was achieved for the first time, as the number of women in executive positions reached 40 percent.

Another important dimension in our sustainability work is creating a workplace characterized by diversity. In 2022, 71 different nationalities were represented at Knowit.

To measure how our employees perceive Knowit' work with diversity, equality, and inclusion (DE&I) and to com-

pare this with the industry average or other organizations, Knowit DE&I index was introduced in 2022. The index has been created based on a series of questions regarding equal career opportunities, a feeling of inclusion and belonging, and the possibility to be oneself. The aim is to measure our current status and create insights and knowledge for both broad and targeted efforts. At the turn of the year, a digital awareness education in diversity and inclusion was deployed to all Knowit employees.

A HEALTHY WORKPLACE PROVIDES HIGH PRODUCTIVITY

The figures for ill health in the IT sector in general, and at Knowit, remain low compared with in society in general. The largest risk of ill health in our industry is psychosocial ill health due to a demanding work situation and stress, combined with a demanding life situation in other aspects. In 2022, sickness leaves were at 3.5 percent, as compared with 3.0 percent in 2021. Read more on page 42.

Knowit is always working with activities to decrease sick leave and shorten rehabilitation times to gain a healthier workplace. Employees get training to create increased awareness of psycho-social ill health and stress. Executives and managers have been trained in how they prevent stress-related ill health and burnout in the workplace. We are also investing in faster rehabilitation of people on long-term sick leave and offer corporate healthcare and health check-ups to all employees.

EMPLOYEES AND STRUCTURAL CAPITAL We are Knowit

Knowit has a strong corporate culture based on the values decent, close, and innovative. Creating an ecosystem where employees with differing backgrounds and experiences contribute to creating the best solutions for our clients, and also continue to develop, is the most important component in building an attractive workplace and attracting the best talent. During the year, Knowit has passed a milestone and now has more than 4,000 employees who can support the clients in their digital transformations.

TO FURTHER STRENGTHEN Knowit's employer brand, an employer branding campaign was performed the fall of 2022, where a film crew meet employees throughout the organization and talked about their professional roles, why they enjoy their work, and how the can contribute to Knowit's vision of a sustainable and humane society. Here, you can meet some of them.



"I see that I can make a difference in society by connecting both people and organizations that don't already have a collaboration. We can inspire our clients and support them to see the possibilities of the tech of the future," says Oscar, who works with innovation and change management at Knowit Solutions in Linköping.

GOING TO WORK IS FUN

It is clear, when you visit different parts of Knowit's organization, that it is the people who build the corporate culture. This takes place in different ways depending on where you are geographically, but the common denominator is a strong team spirit, with shared values and a passion to contribute to the vision of a sustainable and humane society through digitalization and innovation. In client projects, teams are composed of people with different competence, experience, and personalities – this is a key to creating innovative and successful deliveries to clients, but also for employees to continually develop professionally. The employees who have been interviewed share a sense of being in a working environment where everyone makes an effort and does their best to make sure that the final delivery to the client is unique and creates high value.



"I enjoy myself and really like have a chance to develop my technical competence, learn about the technology, and get really good at what I do. I'm inspired by my more experieced colleagues and am always learning from them," says Sophie, who works with web development at Knowit Experience in Stockholm.

PROUD EMPLOYEES

Knowit's employee survey is performed twice a year. The results are impressive and – what's more – provide proof that the employees enjoy themselves and grow at the workplace. In Knowit's employee survey, it is also clear that employees are proud of what they achieve and would be happy to recommend Knowit as a workplace. When asked if they would recommend Knowit as workplace to a friend, 51 percent respond 9 or 10 on a scale to 10, which is an incredibly high result.



"My true passion is solving real problems that people struggle with every day. I have incredibly talented colleagues who have unique competence in a lot of different fields. To develop, in my role, it is crucial to sometimes be challenges by tasks where I don't feel entirely certain about everything, while knowing that there is a framework within which it's okay to get things wrong," says Hans-Christian, who works with strategy and innovation at Knowit Insight in Oslo.

THE CONSULTANT ROLE HAS A STEEP LEARNING CURVE

At Knowit, employees with differing backgrounds and levels of experience work together in client assignments. This means that a person at an early stage in their career is surrounded by colleagues who can inspire and contribute with experiences. The role as a consultant means that you are always given the chance to grow, try out working with different clients in different sectors, and contribute in projects with different problems and solutions. The broad mix in client teams also means that less experienced colleagues are challenged to try out new things, but also have a safety net creating security.



"Knowit is a pioneer in our sector here in Poland, with a clear sustai-

nability agenda. This means that we are always challenging ourselves to keep this perspective in mind, in the various client projects we perform. At Knowit, I have colleagues that both challenge and inspire me. Dealing with challenges and problems that our clients are faced with requires that we collaborate and work hard to create the best solutions possible. Our culture is characterized by wanting to have fun together – and develop at the same time," says Alexander, new concept developer at Knowit Connectivity in Lodz.

DRIVEN COLLEAGUES

Employees at Knowit share the sense of a workplace where they are surrounded by people with a lot of passion for what they do. Coming to a workplace where every day means meeting people who are really good at their jobs and eager to solve problems means that the projects delivered create greater value for both Knowit's clients and employees, who can develop both professionally and at a personal level.



"For me, it's always been important to feel that what I do at work really makes a difference in society. I think it's fun to go to work, thanks to all the skilled people, exciting challenges, new technologies, many development possibilities, and great networks, both socially and competence-wise," says Anne-Line, who works with data and analytics at Knowit Solutions in Oslo.

knowit Sustainability reporting 2022

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SUSTAINABILITY REPORTING

Clear goals for Knowit's sustainability efforts

In 2022, Knowit presented how the Company will work with its clients and partners to actively contribute to the UN Agenda 2030 and societal development, with a positive environmental and climate impact and increased inclusivity.

KNOWIT FOLLOWS UP on its general sustainability target by setting measurable targets and reporting developments in the following focus areas:

- Eighty percent of net sales shall contribute to at least one of the UN sustainable development goals where Knowit can make the largest difference.
- Knowit is a climate-positive company and shall halve CO2 emissions from its own operations before 2030 compared to 2019.
- Knowit shall be an inclusive workplace with an even gender distribution among executives at all levels, between 40 and 60 percent over time.

Digitalization is moving faster and faster, resulting in both opportunities and risks for the climate and society. Knowit's role as a leading consultancy firm in the digitalization sector is growing in importance from a sustainability perspective. Knowit needs to understand how society is changing to better capture opportunities, manage risks, and continue to develop its business operations. Sustainable business means creating long-term value for shareholders, clients, employees, and other stakeholders. This is done by identifying and managing environmental, social, and financial opportunities and risks and by integrating these into Knowit's business strategy and operations.

Sustainability is a matter that speaks to Knowit's employees. In this year's sustainability survey, 76 percent of Knowit's employees responded that Knowit's commitment to sustainability mostly or entirely matched to their expectations and the proportion that agreed entirely has increased to 36 percent.

Knowit's Board has during the year had an increased focus on the Company's sustainability work. The Company's ESG targets and sustainability activities are a recurring item on the Board's agenda, where current initiatives are presented and followed up. In parallel, there is an ongoing dialogue with the management team of the Company and its sustainability manager.

In 2022:

- At the start of the year, the Knowit Sustainability Task Force was introduced. It serves to reinforce and coordinate Knowit's group-wide efforts in the sustainability area. Read more on page 46.
- In March, Science-Based Targets approved Knowit's targets for decreased emissions by 2030. Read more on page 39.
- As a pioneer in sustainable technology, Knowit is the first entity on the Nordic market to make its entire cloud offer sustainability-driven. Read more on page 46.

- During the spring, Knowit's Board updated the sustainability targets with a clear connection to the vision of creating a sustainable and humane society through digitalization and innovation. The new sustainability targets, combined with the financial targets, serve to ensure that the Company is navigating towards long-term profitable and sustainable growth. Read more on page 13.
- This spring, Knowit signed the Microsoft Partner Pledge. By signing the Microsoft Partner Pledge, Knowit shows its commitment to promoting the four targets of Partner Pledge in both client projects and its own initiatives. Sharing a value foundation with our technology partners gives us better circumstances for promoting positive sustainability effects among our clients and in society using technology. Read more here: <u>knowit.eu/news/</u><u>we-signed-the-microsoftpartner-pledge/</u>.
- In May, Knowit initiated a collaboration with the innovative startup company Gaia Gen (Scania CV AB) and now offers climate calculations in collaboration with Gaia Gen to companies and organizations that want increased control over their IT operations' carbon dioxide emissions.
- Before the summer, Knowit published its new sustainability webpages. These are structured based on the Exponential Roadmap Initiative's 1.5 °C Business Playbook. See more at <u>www.knowit.eu/sustainability/</u>.
- During the summer, Knowit initiated a collaboration with SustainLab, a Swedish startup with a unique sustainability platform that automates data management and provides companies and organizations with valuable insights into sustainability efforts. Together, Knowit and

IMAGE 1: Knowit's commitment to sustainability matches my expectations, %

5.1	
don't agree at all	
18.9	
agree in part	
40.0	
mostly agree	
36.0	
entirely agree	

SustainLab make it easier for clients to measure and follow up on their sustainability impact, identify the most effective actions, and comply with the increased requirements on sustainability reporting.

- In August, Knowit got a renewed certificate as a Nasdaq ESG Transparency Partner.
- During the fall, a pilot project in calculation of Avoided Emissions was performed. Read more on page 46.
- At the end of the year, Knowit introduced a taxonomy offer to help the Company's clients understand what the new EU directive means and how a client can create effective digital processes for the reporting requirements in the taxonomy.

Knowit's Code of Conduct, Supplier Code of Conduct, Equality and diversity policy, Work environment policy, and Environmental policy direct and describe the Company's efforts in the sustainability field. As a member of the UN Global Compact, the Company has undertaken to conduct business in an ethical way, with respect for its own employees and those of other companies, and to minimize the Company's negative environmental impact. With the support of these governing documents, Knowit continues its work to realize its vision of contributing to a sustainable and humane society through digitalization and innovation.

In 2023, Knowit plans to:

- Measure and follow up on the Company's general sustainability target.
- Introduce diversity and inclusion training for all Knowit employees. The course will teach our employees more about how active work on diversity and inclusion contribute to healthy employees and companies, as well as expanding Knowit's culture.
- Introduce our general sustainability training.
- Significantly broaden and deepen our consultancy offer in the sustainability area.
- Prepare Knowit for reporting accordance with CSRD as of the operating year 2024.
- Certify the Group in accordance with the information security standard ISO 27001.
- Introduce an anti-corruption training for managers and sales representatives.
- Continue reporting Avoided Emissions in client assignments, in order to show both the sustainability benefits of digitalization and the difference in sustainability benefits between different potential solutions.
- Continue the work on equality, inclusion, and diversity that was begun in 2016 and that in 2019 got Knowit the AllBright award as the most equal company on the Stockholm Exchange.

The UN Sustainable Development Goals

Knowit has identified nine of the 17 UN SDGs, where the Company can make the largest difference. Examples of references cases where Knowit contributes to these SDGs can be found in the section "The business of the future" on page 44.

Vision and business model

VISION

Knowit creates create a sustainable, humane society through digitalization and innovation.

BUSINESS MODEL

The business model, which describes how Knowit creates value for its stakeholders, can be found in the strategy section of the Annual Report on page 11.

Knowit's most important ESG targets

 Being a climate-positive company and halving its CO2 emissions no later than 2030, in accordance with the science-based targets the Company has chosen and which have been approved by the Science-Based Targets initiative (SBTi) with the index year 2019.

SOCIAL

- Knowit shall be an inclusive workplace with an even gender distribution among executives at all levels, staying at 40-60 percent over time.
- A healthy workplace: ill health metrics ≤ 2.5 percent.
- Attractive workplace: eNPS > 30.

GOVERNANCE

- By 2030, at least 80% of Knowit's net sales shall contribute to at least one of the nine UN SDGs where the Company can make the largest difference.
- All of Knowit's employees shall have read the Company's Code of Conduct and undergone Knowit's sustainability training.
- All of Knowit's suppliers of significant purchases, as defined in Knowit's purchasing policy, shall be evaluated and meet the requirements in Knowit's Supplier Code of Conduct.

IMAGE 2: Knowit has identified nine of the 17 UN SDGs, where the Company can make the largest difference



SUSTAINABILITY REPORTING With a focus on the future

THE KEY TO sustainability efforts that contribute to longterm value creation is understanding the outside world and the stakeholders' expectations in a dynamic era. Knowit's essentiality process to identify the most important issues contributes to prioritizing the sustainability issues that Knowit should focus on. The first step in this is a horizon scanning that we call Navigating 2030, which shows four areas that clearly impact on the planet and everyone living on it.

- · Limits to growth
- · Changed demographic circumstances
- A connected world
- · Changed natural environments

Limits to growth

In the coming decade, the imbalance between supply and demand of natural resources will increase. This is a serious threat to a sustainable society, but also a business opportunity for Knowit, as it will increase the demand for digitalization in general and for circular economy solutions in particular.

The increasing lack of food, water, and energy is a general threat to society and creates a risk of disturbances, starvation, and – in the worst case – war.

Changed demographic circumstances

The population of the world is aging, as people are living longer and longer. An aging population is predicted to increase costs for healthcare and pensions. Knowit has many clients in the public sector, which is expected to have successively less economic power due to gradually increased societal costs for an aging population, poor health, and climate change. At the same time, this creates new business possibilities for Knowit, as the Company can contribute to creating digitalized services and products that can increase efficiency and sustainability in the public sector.

A connected world

The development toward a connected and interconnected world can be summarized as digitalization and automation, which accelerate innovation, as sharing new ideas can be done more easily and quickly. New technology not only changes our way of life, but also affects our values and relationships.

There is a "Global Tech Revolution" going on, where the amount of data processed and stored and the number of devices connected to the internet continues to grow exponentially. An increasing connected world creates very good business opportunities for Knowit, as this results in higher demands for IT system development and an increased need for cybersecurity solutions.

Changed natural environments

The global work with decreasing emissions in order to realize the Paris Agreement does not appear to be going to reach either the 1.5- or the 2-degree goal, creating increased risks of extreme weather events, raised sea levels, and ultimately greater movements of climate refugees.

By taking on a clearer role as a solution provider, Knowit can both create new innovative business models and contribute to decreased emissions. By developing services that help clients to learn about their direct and indirect emissions, for instance by following up on energy use, creating transparency on the CO2 impact of e-commerce, and helping clients streamline logistics and transportation, Knowit can contribute to lower emissions. Further, Knowit can – by developing solutions that increase clients' connection possibilities, promote the usage of public transportation, renewable energy, and systems that gather information on energy use – contribute to both increasing transparency on clients' CO2 emissions and help them decrease these emissions.

Value-creating strategy

Knowit's strategy entails a clear ambition of being a central part of the transition to a sustainable society free from carbon dioxide emissions. Being a contributing factor in this transition is high up on Knowit's strategic agenda, as described in the strategy section on page 11. One prerequisite to contributing actively to the transition of society is a close collaboration with clients and partners and that Knowit continually develops its employees' competence in the sustainability area.

The four pillars

Knowit has high ambitions in all areas of the sustainability area. During 2021, Knowit has entered into a partnership with the Exponential Roadmap Initiative. Their 1.5 °C Business Playbook serves as hands-on guidance for companies of all sizes that want to work actively to contribute to reaching the 1.5-degree goal. Knowit uses the four pillars of the playbook, not only to report the Company's negative and positive climate impact, but also to report all of its sustainability efforts, which was also highlighted by the Exponential Roadmap Initiative this past year.

PILLAR 1 - THE COMPANIES OF THE FUTURE

One of the main ESG targets is related to the equal and inclusive workplace. For instance, Knowit has a goal of an even gender distribution (40–60 percent) among executives at all levels in Knowit (recruiting managers, executive teams, subsidiary managers, corporate managers, Board of Directors). The Company reports its work with, and the results of, Knowit's direct and indirect positive and negative impact on all aspects of its sustainability work. Since Knowit is a consultancy firm without any manufacturing of its own, our direct climate impact is low.

PILLAR 2 - THE VALUE CHAIN OF THE FUTURE

The work with and results of Knowit's direct and indirect positive and negative impact on the value chain are followed up and reported. The largest negative climate impact is from corporate travel and purchasing of electronics. For several years, Knowit has worked actively to decrease its negative impact in these areas, for instance by implementing a new travel policy, choosing offices near public transportation hubs, and establishing a safe and sustainable routing for reuse and recycling of electronics.

PILLAR 3 – THE BUSINESS OF THE FUTURE

This is the area in which Knowit can create the largest benefits in all aspects of its sustainability efforts. Through its work with digitalization and innovation, Knowit is a solution partner with a high positive impact, not just in the climate area, but on the development of society as a whole.

PILLAR 4 - THE SOCIETY OF THE FUTURE

Knowit reports its social commitments, how the Company works with pro bono projects and to support local NGOs, and how it takes responsibility in global issues, for instance by being members of the UN Global Compact and being a key partner to UNHCR.

Pillar 1 The companies of the future

THE COMPANIES OF the future focus on their own sustainability activities. For Knowit, the work with goals and followup of the Company's climate efforts involves decreasing its own emissions in line with the goal of halving emissions before 2030 and the 1.5 °C target, ethical deals, equality, and labor and human rights, in line with Knowit's Code of Conduct.

Sustainability is deeply integrated into Knowit's Code of Conduct and the Company works actively to reduce its negative impact. The corporate culture encourages individuals to take their own sustainability initiatives and the Company actively works to find external partnerships that can contribute and drive development in line with the UN SDGs.

Fossil-free Sweden and Science-Based Targets

In 2018 and 2019, Knowit and more than 40 other companies in the digitalization consultancy industry devised a roadmap for a fossil-free, climate-positive, competitive digitalization consultancy sector. The roadmap was drafted on commission by the Swedish government within the framework of the governmental initiative on a Fossil-Free Sweden. Part of the roadmap was that Knowit committed to halve the CO2 emission from its own operations in 2018 by 2030, and to be entirely fossil-free by 2045. Already in the Carbon Footprint Assessments for 2019 and 2020, it could be seen that Knowit's sustainability efforts had started to have an effect. During the pandemic, travel decreased significantly, increasing again in 2022, but not to the levels before the pandemic. The Company's estimate is that air travel will continue to decrease over time, while the use of biofuels for aviation will increase.

To reduce Knowit's own impact, the Company during 2021 established science-based targets in line with a net zero future, as a response to what the latest research indicates is needed to limit the effects on the climate. Knowit ensures that the science-based targets established can be followed up and measured, in line with the Science-Based Target initiative (SBTi), which independently audits the emission-reducing targets of companies relative to scientific best practices. In March 2022, SBTi approved the targets set, after having concluded that they

were in line with what is needed to achieve the 1.5 °C target. It is the Company's undertaking within the framework of Fossil-free Sweden that has been the foundation for the science-based targets that have been established and mean that Knowit has committed to decreasing the Company's absolute emissions of greenhouse gases (GHG Scope 1, Scope 2, and Scope 3, respectively) by at least 50 percent by 2030, compared with 2019.

The Company's climate efforts

Knowit's climate efforts are governed by the Company's Code of Conduct and its Environmental policy. The Company also has an environmental management system and Knowit AB and three Swedish subsidiaries are certified in accordance with ISO 14001. Knowit has increased its usage of renewable energy, year on year. LEDs and timed light sources are installed where possible and recycling stations, with associated routines, are standard in all offices. Through several different IT solutions, Knowit's employees can communicate in-house and with clients in a way that helps the Company be successful in its different climate initiatives. This has not only reduced travel, but also contributed to creating new conditions for projects and collaborations between offices and country borders. Knowit has seen that business travel has decreased as a direct result of COVID-19 and the Company's stricter travel policy. The share of train travel has increased somewhat, while that of air travel has decreased. Knowit has continued its work to improve the routines for managing electronic waste and ensuring that the lifespan of phones and computers is increased over time. The latest step in this work is the reuse solution that the Company has set up together with Dustin regarding all electronics, such as computers, screens, and mobile phones. If an employee's computer or phone stops working or breaks before the expected lifespan of the device has been reached, the employee gets a corresponding repaired device, rather than having a new device purchased. This action is estimated to extend the expected lifespan of computers and mobile phones by 6-12 months, which corresponds to 2-3 percent of the Company's total emissions.

Since 2018, Knowit performs annual Carbon Footprint Assessment to understand how its footprint is changing and what actions are needed to achieve the targets set. The assessment is performed in accordance with the

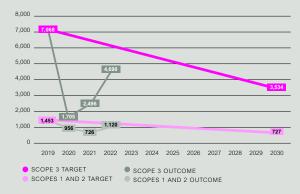
Greenhouse Gas Protocol (GHG Protocol), an international reporting standard to calculate and report an operation's climate impact. In 2022, the CO2 emissions for Knowit's own operations have increased compared with 2021. which is to be expected, as 2022 is the first full year that has not been affected by the COVID-19 pandemic and associated restrictions on, e.g., travelling. In 2022, the Company emitted 1.52 tons of CO2e per employee, which means that Knowit is still below the goals set for the Company's total emissions, see image 3 below. In 2022, the Company's emissions have increased primarily in four areas, where focused efforts are now needed to decrease emissions and in order for the Company's emissions over time to be in line with the Company's goals on decreased emissions. One area is the attitude on air travel, another is ensuring that the Company's offices use fossilfree electrical power, the third is lifetime of electronics, and the fourth is reuse/recycling of office furniture. To create the conditions to succeed with our emission goals in the long term, we also need to ensure that Knowit's significant suppliers have climate ambitions in line with or exceeding Knowit's.

The Climate Footprint Assessment encompasses direct emissions (like travel to and from work and corporate travel) and indirect emissions (from purchasing electricity, heating, and cooling of offices, computers, phones, transportation, and construction materials etc. when renovating offices).

Aside from reducing emissions in the aforementioned areas, Knowit has decided to invest in projects for climate offsetting, outside its own operations and value chain, corresponding to the Company's remaining emissions. For 2022, this equals 6,025 tons CO2e. This means that Knowit can declare itself to be climate-neutral in accordance with the PAS2060 standard, which the Company has been since January 1, 2019. As of January 1, 2022, Knowit is a climate-positive company, as we have chosen to perform climate offsetting by another 10 percent beyond what is needed for climate neutrality.

IMAGE 3:

Knowit's commitment regarding decrease of CO2e emissions in accordance with the science-based targets, tons CO2e



KPIs

(305-1, 305-2, 305-3, 305-4 and 305-5) **Carbon Footprint Assessment**

- 2022: 6,025 tons CO2e, corresponding to 1.52 tons CO2e/employee, distributed as: Scope 1: 0.017 tons CO2e per employee Scope 2: 0.27 tons CO2e per employee Scope 3: 1.24 tons CO2e per employee
- 2021: 3,363 tons CO2e, corresponding to 0.93 tons CO2e/employee, distributed as: Scope 1: 0.0087 tons CO2e per employee Scope 2: 0.19 tons CO2e per employee Scope 3: 0.73 tons CO2e per employee
- 2020: 1,712 tons CO2e, corresponding to 0.77 tons CO2e/employee, distributed as: Scope 1: 0.023 tons CO2e per employee Scope 2: 0.24 tons CO2e per employee Scope 3: 0.51 tons CO2e per employee
- 2019: 5,325 tons CO2e, corresponding to 2.41 tons CO2e/employee, distributed as: Scope 1: 0.041 tons CO2e per employee Scope 2: 0.36 tons CO2e per employee Scope 3: 2.00 tons CO2e per employee
- 2018: 2018: 6,373 tons CO2e, corresponding to 3.14 tons CO2e/employee, distributed as: Scope 1: 0.11 tons CO2e per employee Scope 2: 0.52 tons CO2e per employee Scope 3: 2.51 tons CO2e per employee

(Independently defined indicator)

Employee commuting to and from work

- 2022: 0.16 tons CO2e per employee
- 2021: 0.12 tons CO2e per employee
- 2020: 0.19 tons CO2e per employee
- 2019: 0.56 tons CO2e per employee
- 2018: 0.69 tons CO2e per employee¹⁾
- The comparison value for 2018 is corrected, as the estimate for 2018 was erroneously based on the average number of employees on December 31, 2018, instead of the average number of employees for the full year 2018.

IMAGE 4: Distribution of Knowit's emissions across different areas

Per activity	tons CO2e/year	%
Purchased materials	1,868	31
Electricity and heating	1,233	20
Business travel	1,182	20
Conference travel	771	13
Commuting	635	11
Food	241	4
Work from home	72	1
Supplier of server space	23	0,4
TOTAL	6,025	100



Ethical business

Clients and shareholders demand that Knowit has robust systems to prevent instances of corruption, and to increase transparency regarding risks. In order to deliver to state-owned companies and the public sector, this is a prerequisite. Under Knowit's Code of Conduct, no employee may give or accept bribes. Gifts and services may only be given or accepted within the framework of sound business practice and on condition that they are within the limits of the laws on the markets on which we operate. Knowit shall adhere to the ethical rules for communication, marketing, and advertising that are relevant for the markets on which we operate. When employees represent Knowit, they shall observe Knowit's Code of Conduct. In 2023, there are plans to introduce anticorruption training for managers and sales representatives.

Knowit has a whistleblower function where employees and external entities can report if they discover any behavior that does not reflect Knowit's Code of Conduct. Knowit's whistleblower function is provided by an external supplier and is available through the Company's intranet and Knowit's external website. The external supplier ensures that the identity of the person reporting is protected and that he/she will remain anonymous. All new employees are informed about the function as part of the introductory program. The whistleblower matters reported during 2022 have been managed in accordance with Knowit's routines.

KPIs

(2-16 and 2-26):

Number of whistleblower matters

- 2022: 2
- 2021: 2
- 2020: 1
- 2019: 0
- 2018: 0

(205-3)

Number of corruption matters during the year

- **2022:** 0
- 2021: 0
- 2020: 0
- 2019: 0
- 2018: 0

Equality work within Knowit

Knowit prioritizes matters relating to equality and it is a given that all employees are treated equally, regardless of age, gender, gender-fluid identity or expression, ethnicity, physical circumstances, religion or other beliefs, sexual orientation, and different ways of thinking or behaving. Within Knowit, there are now 71 nationalities among employees and an age span from 18 to 73 years. In 2022, Knowit was included on Allbright's green list and in 2023, Knowit will continue its active equality work to increase its range of cultural diversity. An important step in this work is the diversity and inclusion training for all Knowit employees that will be introduced in early 2023. The course will teach our employees more about how active work on diversity and inclusion contribute to healthy employees and companies, as well as expanding Knowit's culture and getting hands-on tips on how they, as employees, can contribute. Another important step in this

work is the implementation of a diversity and inclusion index. The first measurement using this index was performed in the fall of 2022 and showed a result of 85, whereas the reference index for our industry is 80.

Active work is performed to prevent and counteract the occurrence of sexual harassment. Our plan of action against discrimination and harassment/sexual harassment is updated continuously and the latest version is always available on the Company's intranet and on knowit.eu. Emphasis is placed on the proactive work, which focuses on spreading information, offering a forum for discussion and building a culture characterized by respect and security. This work is governed by Knowit's Code of Conduct and the Company's Equality and diversity policy.

KPIs

(405-1)

Proportion of women overall

- **2022:** 30%
- 2021: 28%
- 2020: 29%
- 2019: 28%
- 2018: 28%

(405-1)

Proportion of women among recruiting and salary-setting managers

- 2022: 40%
- 2021: 40%
- 2020: 40%
- 2019: 38%
- 2018: 34%
- ____

(405-1)

Proportion of women in subsidiaries' management teams

- **2022:** 37%
- 2021: 37%
- 2020: 39%
- 2019: 36%
- 2018: 31%

(405-1)

Proportion of women

in corporate management team

- 2022: 56% (5 of 9)
 2021: 60% (6 of 10)
- 2020: 67% (4 of 6)
- 2019: 50% (3 of 6)
- 2018: 50% (3 of 6)
- (405-1)

Proportion of women in Board of Directors

- 2022: 50% (3 of 6)
- 2021: 50% (3 of 6)
- 2020: 50% (3 of 6)
- 2019: 43% (3 of 7)
- 2018: 43% (3 of 7)

(Independently defined indicator) Number of different nationalities

- **2022:** 71
- 2021: 56
- 2020: Not reported
- 2019: Not reported
- 2018: Not reported

(Independently defined indicator) **Diversity and inclusion index**

- **2022:** 85 (80¹)
- 2021: Not reported
- 2020: Not reported
- 2019: Not reported
- 2018: Not reported

1) Industry reference value.

The healthy workplace

The metrics on ill health in the digitalization sector in general, and at Knowit, are lower than in society in general. The largest health risk in the sector is that of psychological or social ill health due to a demanding work situation and stress. After the pandemic, the proportion of long-term sick leave has returned to the same level as before the pandemic, while short-term sick leave has increased. We are seeing an increase in short-term absences during 2022, related to both COVID-19 and the illnesses traditionally associated with short-term absence. Most of these illnesses have affected both Knowit and the rest of society more during 2022 than during the pandemic. Still, Knowit has the goal of having an ill health metric below 2.5 percent, but the Company estimates that the goal can be reached through continued education and follow-up of both managers and employees, and a retained focus on rehabilitation of those on long-term sick leave.

KPIs

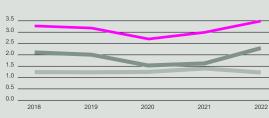
(Independently defined indicator) Short-term sick leave

- **2022:** 2.3%
- 2021: 1.6%
- 2020: 1.5%
- 2019: 2.0%
- 2018: 2.1%

(Independently defined indicator)

- Long-term sick leave
- **2022:** 1.2%
- 2021: 1.4%
- 2020: 1.2%2019: 1.2%
- 2019: 1.2%2018: 1.2%

IMAGE 5 III health metrics, %



TOTAL SHORT-TERM LONG-TERM

(403-9)

Number of work-related injuries

- 2022: 2 (accidents during conference trips)
- 2021: 1 (accident during teleworking from home)
 2020: 0
- 2019: 10 (accidents during travel to/from work)
- 2018: 2 (accidents during travel to/from work)

Our offices and the future way of working

As an effect of the COVID-19 pandemic, new ways of working, with digital meetings and teleworking, have developed. In 2022, 44 percent of all work was carried out remotely, outside Knowit's offices, while 38 percent was performed at Knowit's offices and 18 percent on site at client facilities. Knowit strives to continue developing these new work methods, to give employees a chance to work more flexibly and efficiently than before.

- The physical workplace, at a client or Knowit office, remains the main workplace in the future. Physical meetings are the foundation for feeling a sense community and being able to collaborate and be creative. On the other hand, teleworking creates greater flexibility and better results in many ways, both at work and as regards the work-life balance.
- What determines where a task is best performed is the needs, expectations, and dependencies between individuals, teams, projects, and the client, and the development of the Company, the business area, and Knowit as a whole.
- Knowit has a strong corporate culture in which relationships play a significant part and the digital meeting cannot fully replace physical meetings, for instance when it comes to teambuilding and problem-solving.
- A mix of working in an office and teleworking will decrease the risk of psychosocial ill health, while also creating better conditions for creativity.
- Blending working from a Knowit office, a client facility, and from home will be suitable for most employees and create the conditions for a more well-balanced life.
- Distribution of work between the office, the client, and from home is best done in dialogue between the individual employee and their closest superior.

Attracting competence

Knowit continuously measures eNPS (the willingness to recommend the workplace). This KPI is a clear indicator of our chances to attract new employees. The reference value in the digitalization consultancy industry is 16. Knowit's goal is an eNPS of over 30. In 2022, Knowit's eNPS has increased from 30 to 38.

Knowit's strong employer brand has been highlighted through our top ranking on LinkedIn Top Companies Sweden, which was published for the first time in 2022. This is a list of the 25 best employers in Sweden, based on LinkedIn's statistics. We are also very proud to have climbed to the top 10 of the Nordic region's most attractive workplace according to both students and Young Professionals in IT, and that we were once again voted as best in the IT industry by Young Professionals in Sweden.

KPIs

(Independently defined indicator) eNPS (employer Net Promotor Score)

- **2022:** 38 (16¹)
- 2021: 30 (16¹)
- 2020: 32 (7¹)
- 2019: 37 (7¹)
- 2018: 45 (7¹)
- 1) Industry reference value.

Labor and human rights under the Code of Conduct

Knowit's ambition is to be seen as a decent employer and therefore has an ongoing dialogue with the parties on the labor market to ensure that this is achieved. Knowit's corporate culture, which is characterized by the meeting between responsible managers and employees, is based on respect, openness and honest. Knowit's Code of Conduct governs how Knowit creates relationships with the Company's stakeholders.

Knowit observes laws and ordinances in the countries in which it operates, as well as complying with governing documents, such as company-specific regulations and policies. All of Knowit's employees and sub-consultants must protect the tangible assets and information assets of both Knowit and our clients. The information may be owned by Knowit, produced by Knowit on behalf of a client, or provided by a client. Regardless of the type of information, it is to be protected in the same way.

KPIs

(205-2) Proportion of employees who have undergone a Code of Conduct training

- **2022:** 93%
- 2021: 88%
- 2020: 87%
- 2019: 87%
- 2018: 80%

(Independently defined indicator) **Labor law disputes during the year**

- **2022:** 0
- 2021: 0
- 2020: 0
- 2019: 0
- 2018: 0

Pillar 2 The value chain of the future

AS A RESPONSIBLE company with operations on markets with well-functioning legal systems regarding human rights and environmental impact, Knowit focuses on reducing negative effects and maximizing positive effects in the Company's value chain. From a climate perspective, this means that Knowit has a goal to influence its value chain, both suppliers and clients, to reduce its CO2 emissions in line with the 1.5-degree goal.

The suppliers and sub-consultants that Knowit hires operate on the markets where Knowit operates and should work in accordance with the same basic values as Knowit. This is ensured through Knowit choosing suppliers/subconsultants after an evaluation showing that their fundamental values correspond to those of Knowit's Code of Conduct. We call this principle "Careful Selection." If Knowit assesses that there is uncertainty regarding or that there is a risk that a supplier's fundamental values or actions do not correspond to Knowit's Code of Conduct, and this cannot be clarified without contacting the supplier, Knowit's internal supplier evaluation shall be supplemented by a "Survey for supplier evaluation." Knowit differentiates between important purchases and simpler purchases. An important purchase is one where the purchase is of a certain size and is expected to affect quality or is important from a sustainability perspective. There is no strict threshold, but as a rule of thumb, an important purchase is a standalone purchase of goods

exceeding SEK 10,000 (or one that makes up part of an annual total volume exceeding SEK 50,000) or a purchase of services exceeding SEK 100,000 (or one that makes up part of an annual total volume exceeding SEK 250,000). All suppliers used for important purchases shall be managed in accordance with Knowit's purchasing routines. As regards purchases of a simpler kind, there is freedom when it comes to choice of supplier and how the purchase is to be performed. This is managed locally by each individual subsidiary or office.

Knowit's assessments of suppliers are based mainly on its own evaluations. In 2023, an updated purchasing routine will be introduced as part of the Group's new ISO 9001-certified management system.

During 2022, there were no suppliers on Knowit's watch list. Two of the four suppliers that were on Knowit's list of non-approved suppliers in 2020 remained on the list in 2021 and 2022. Suppliers that do not act in accordance with Knowit's Code of Conduct entail a risk for Knowit, mainly as regards Knowit's brand and the risk of corruption. During 2023, the Company plans to inform its suppliers, wherever possible, that Knowit expects its suppliers to adopt climate targets in line with the 1.5 °C Business Playbook. An easy way for the Company's suppliers to do this is to join the Exponential Roadmap Initiative and adopt climate targets in line with the 1.5 °C Business Playbook.

KPIs

(Independently defined indicator)

The number of suppliers on our watch list and the list of non-approved suppliers

- **2022:** No suppliers on the watch list and two that were non-approved
- 2021: No suppliers on the watch list and four that were non-approved
- 2020: No suppliers on the watch list and four that were non-approved
- 2019: No suppliers on the watch list and four that were non-approved
- 2018: No suppliers on the watch list and three that were non-approved

The Climate Footprint Assessment includes both direct emissions and indirect emissions from our value chain. The results of the Climate Footprint Assessment are reported on page 40 under Pillar 1.

More information on how the Company works to minimize the negative effects and maximize the positive effects among Company clients are reported below, under Pillar 3.

Pillar 3 The business of the future

KNOWIT HAS A unique possibility to use its expertise in innovation and digitalization to provide clients and society with solutions to meet the largest global challenge of our time, climate change, which also creates new and unique business opportunities for Knowit. By integrating sustainability and climate in the Company's business strategy, values, vision, and ultimately in the value offer to clients, Knowit can contribute to a positive impact on global sustainability. Knowit's vision is a sustainable and humane society through digitalization and innovation. Knowit's contribution to creating a sustainable society means enabling a future where our society is in line with the UN SDGs and the Paris Agreement's 1.5-degree goal. Knowit is therefore positioning itself as a driver of change and a supplier of solutions by transforming itself as a leading supplier of solutions and consultancy in sustainability and innovation.

Services for humane digitalization and a circular economy

We support clients in the digital transformation to create robust futureproofed companies and organizations, as regards both social, ecological, and financial sustainability. Digital technology and innovation are among the most powerful tools that humanity has to create new, transformative solutions to our sustainability challenges. With digital and connected tools, such as the Internet of Things (IoT), cloud solutions, and visualizations of large amounts of data, Knowit can create digital customer journeys and connected services that are important prerequisites for a functioning sharing economy.

More and more companies understand that a sustainable deal means higher valuation, better interest rates, higher profitability, and more interested investors. The bottom line is simply futureproofing the operations and minimizing sustainability risks. We offer our clients help in creating new circular business models and sustainable value offers, so that sustainability becomes a natural part of a profitable deal.

New regulations require digitalization of sustainability efforts

In 2022, a new directive from the EU on sustainability reporting, the Corporate Sustainability Reporting Directive (CSRD), was introduced, which will gradually enter into force in 2024-2026. This directive is a paradigm shift that, along with the EU taxonomy, will take the requirements on both the sustainability efforts of companies and their reports on sustainability efforts to the next level. We expect that most of our clients will need to change and adapt their processes and systems for sustainability, in order to comply with these requirements. Sustainability will become fully integrated in the business model and companies will need to take more responsibility throughout the value chain.

Knowit is helping several companies reporting according to CSRD and the EU taxonomy and we have cutting edge expertise in sustainability, EU legislation, data collection, reporting, and process digitalization. With long experience of planning, driving, and implementing digital solutions that both automate and streamline operations, we can support both leading executives and entire corporate management teams in the following areas:

- Goals, strategies, consultancy, and plans of action

 what does CSRD and the taxonomy mean for your company?
- Gap analysis of the current sustainability efforts and what will be needed under the taxonomy and CSRD.
- Digital screening of taxonomy activities (eligible and aligned).
- Evaluation of digital sustainability platform and future needs.
- Implementation of digital platform and integration with business systems and adaption of internal processes.
 Climate Footprint Assessment, climate estimates.
- Science-Based Targets/FLAG.
- A ganda 2020 integration and target
- Agenda 2030 integration and target steering.

By nudging our clients to work in a more digital and datadriven manner in their sustainability efforts, we help them streamline these efforts and ensure that they have data and KPIs that drive the transition forward in a profitable and risk-minimizing manner.

Cutting-edge security solutions

(418-1)

Number of losses of client data during the year

- **2022:** 1
- 2021: 0
- 2020: 0
- 2019: 0
- 2018: 1

Managing large amounts of data in the cloud leads to increased complexity when it comes to security issues. Here, Knowit is at the cutting edge, and delivers both cloud services and security services regarding implementation and operation. The same holds true for AI applications, where technology and law are closely connected. Knowit delivers both the technical solution and support for managing security and privacy.

The new regulations GDPR and PSD2, which caused large challenges for many of Knowit's clients during 2019, have remained a challenge for many of them. Knowit has supported them in understanding what the regulations mean for them and what is required to achieve compliance – with a focus on privacy matters, the needs of the operations, and societal benefits.

Security solutions at the cutting edge are also about helping clients develop solutions that increase security for individuals when it comes to e-commerce or payment solutions, for example.

Knowit's management system for information security is based on ISO 27001. Within Knowit, we have one subsidiary in Sweden and one in Norway specialized in information security and offering consultancy services in this field. Resources and competence from these subsidiaries are used in Knowit's internal work on information security. During the summer of 2020, parts of Knowit's Norwegian operations were certified in accordance with ISO 27001 and after this, the work of preparing to an overall ISO 27001 certification for the Group began – this is planned for the first six months of 2023.

Empowered & Enabled

Knowit works with continual competence development for employees. An important part of this is continuous development of managers and their leadership. During 2022, Knowit has continued with its leadership training, which both develop individuals and create networking possibilities with long-term exchange of experiences. This continues to have good results, which is seen in the 2022 employee survey, where the leadership in the Company is generally highly rated.

Knowit has also strived for several years to combine clients' needs and requirements with minimizing the impact on the environment. For this reason, our employees have taken an internal environmental training course. After the merger with Cybercom in 2021, Knowit has created a group-wide sustainability education for all employees. The new sustainability education will be introduced during 2023.

KPIs

(Independently defined indicator) The proportion of employees who have undergone Knowit's group-wide sustainability education

This KPI will be introduced in 2023, when the new sustainability education will be introduced.

To follow up on the ongoing work with strengthening and motivating Knowit employees to contribute to the sustainability work of their clients, the Company has implemented and developed Cybercom's work from 2020 with a KPI called Empowered & Enabled. The term refers to if the Company's employees feel strengthened and fully equipped to contribute to a sustainable future themselves, in line with the "Makers of a sustainable future" concept, in their roles, assignments, and fields of responsibility. Ultimately, the goal is to enable for the UN SDGs.

IMAGE 6: I feel that I contri- bute to a sustainable future by working at Knowit, %	IMAGE 7: I am expected and encouraged to take actions within my role and/or responsibility for a sustainable future, %	IMAGE 8: I have the means ¹⁾ needed to take acti for a sustainable future, %
7.2	8.2	10.6
don't agree at all	don't agree at all	don't agree at all
29.3	26.2	33.7
agree in part	agree in part	agree in part
40.6	38.4	36.6
mostly agree	mostly agree	mostly agree
22.9	27.2	19.1
entirely agree	entirely agree	entirely agree

1) Such as tools, resources, time, knowledge, and mandate.

ons

Examples of reference cases where Knowit has contributed with significant sustainability benefits

Digitalization of Norwegian-owned hydroelectric plant



On assignment from Sweco, Knowit has helped Statkraft, Europes' largest producer of rene-

wable energy, to digitalize a hydroelectric plant in southern Sweden. With a safe and flexible industrial IoT (Internet of Things) solution, the technicians' work has been streamlined and signals from the plant can now be reviewed with greater precision, thanks to more sensors being installed inside the plant. Read more on page 27.

Welfare technology for safer everyday life



When the municipal health care organization in Uppsala began the work of implementing welfare technology to increase security, it hired Knowit to drive the

projects. There was a need to make use of lessons learned from both internal projects and other municipalities' work with welfare technology, in order to create a frame work for implementing welfare technology.

Technology to create security, so-called welfare technology, serves to give people support in their everyday life and thereby create a sense of security. Examples of welfare technology include keyless home care, security alarms, GPS alarms, and nighttime camera surveillance. Read more on page 27.

Increased automation for increased sustainability



Engcon is a world leader in tilt rotators (made to work like a human wrist) and associated tools that increase the efficiency, flexibility, profitability, safety, and sustainability of excavators.

On assignment from Engcon, Knowit has taken full responsibility for development of steering system software and for some hardware design, in order to manage the global component shortage. Within the framework of Knowit's Innovation Zone, a new project is being tested in collaboration with Engcon. The project aims to develop a method for configuring the steering system automatically after installation, using machine learning. With an automated configuration process, installation time and fuel usage are decreased. Read more on page 28.

Norway's path to zero emissions



By 2030, Norway has set the goal to have halved its greenhouse gas emissions and by 2050 they are supposed to be completely erased. This is a

high-priority goal that takes patience, commitment, and clear communication with all the different stakeholder groups in society. The Norwegian Climate Foundation identified a need to easily show how the country is doing in its climate shift, and asked Knowit for help.

The result, <u>tilnull.no</u>, is a web portal that gathers daily data from Statistics Norway and the Norwegian Environment Agency, and works like a live broadcast in relation to Norway's goals of halving climate emissions by 2030 and reaching zero emissions by 2050. At all times, it shows how Norway is doing relative to the goals, at both the national and regional level, and by industry. The first version has been launched and the goal is to supplement it with data on further climate goals in the coming years. Read more on page 28.

Avoided Emissions

In order to make an early assessment of the climate impact of planned digitalization projects, Knowit has in 2021 and 2022 worked to do inventory of and study existing frameworks and methods in climate impact descriptions and has now devised suggestions for methods and principles to calculate so-called avoided emissions. This can promote sustainable business and thus help Knowit's clients make well-founded decisions. The methods can be used to evaluate both the positive and the negative climate impact of a digitalization project, with the goal of minimizing a client's climate footprint. Further, implementation of this service will contribute to setting Knowit apart from its competitors and attracting the growing market of clients with sustainability ambitions.

The method has during the past year been tested in collaboration with Digitaliseringskonsulterna, Curago, and Parkeringsbolaget Göteborg.

Knowit Sustainable Cloud

An example of how Knowit works to develop the business of the future is a new concept in cloud-based services that ensures that the cloud-based services that Knowit creates are measurable from a sustainability perspective. This concept is called Knowit Sustainable Cloud. It was launched in 2022 and also includes a Sustainability Calculation Toolkit, so any interested company can easily understand how sustainable their current solution is. More information on this can be found at <u>knowit.eu/sustainablecloud</u>.

Sustainability Task Force to accelerate our sustainability efforts

In early 2022, Knowit established a Sustainability Task Force, a central unit focused on coordinating and developing the Company's service offer related to sustainability solutions in digitalization. Part of its efforts include internal competence development and communication on relevant sustainability efforts in the group. Another

important aspect is the projects and actions serving to create measurable sustainability gains in client projects.

When the Sustainability Task Force was created, the Group already had well-established efforts in social and financial sustainability. Therefore, environmental and climaterelated efforts have become a central focal point for Knowit's Sustainability Task Force. Aside from internally motivated initiatives, like developing work methods and best practice processes on reporting and compliance with CSRD, active contributions to professional forums like Digitaliseringskonsulterna and the Exponential Roadmap Initiative have been central to these efforts.

During the first six months of 2023, a broad rollout of a web-based education on digitalization and environmental sustainability is planned within Knowit. The education is aimed at all Group employees and its aim is to provide a basic introduction into how digitalization, in the form of both consultancy and operational solutions, can contribute to real environmental and climate benefits for Knowit's clients. The education is divided into three modules: A mandatory introduction that everyone has to take and two optional add-on modules that highlight various aspects of sustainability in depth, depending on the participant's professional focus.

The Sustainability Task Force also works to continually highlight and clearly position Knowit's overall service range related to sustainability consultancy and development projects focused on sustainability in relation to the most important target groups on Knowit's markets.

The GROW program

GROW is Knowit's consultancy development program for women and non-binary consultants who want to accelerate their careers, either in leadership or as specialists. The program serves to create a learning environment where participants get important knowledge and tools to increase their professional and personal growth as young professionals. During the program, they build a platform for sustainable development, improved selfawareness, personal leadership, and valuable consultancy knowledge, such as presentation, sales, networking, and coaching. To support the participants in dealing with specific challenges that women and minorities encounter in their careers, one key aspect of the program centers on building knowledge about biases, diversity, and inclusion.

To enable for more employees to get a chance to take part in GROW, we have had two GROW programs in parallel during 2022, one in English and one for Swedish and Norwegian employees. The participants have worked on internal cases in addition to their client assignments, in order to develop Knowit's work on sustainability, employee satisfaction, and client satisfaction. The proposals will be presented to the Corporate Management Team in the spring of 2023 and will then be introduced into the organization, to strengthen Knowit's ambition of being Makers of a Sustainable Future.

The proportion of net sales contributing to the UN SDGs

We measure the proportion of net sales that contributed positively to at least one of the 17 UN SDGs. In addition to this, we also measure the share of net sales that contributes to at least one of the nine SDGs where Knowit can make the largest difference. The target is that this share shall be at least 80 percent by 2030.

KPIs

(Independently defined indicator)

Proportion of net sales contributing to at least one SDG

- **2022:** 82%
- 2021: 74%
- 2020: -
- 2019: -
- 2018: -

(Independently defined indicator) **Proportion of net sales contributing** to at least one of the SDGs where Knowit can make the largest difference¹⁾

- **2022:** 76%
- 2021: 67%
- 2020: -
- 2019: -
- 2018: -
- 2017: -

1) These are SDGs 3,4,5,7,9,11,12,13, and 16.

The EU taxonomy

During 2022, Knowit has developed the method and toolkit devised in 2021 to measure and report in accordance with the EU taxonomy. For 2022, only the two environmental targets related to limiting climate change and adaptation to climate change are affected. To measure and report how large a share of the Company's net sales that satisfy the requirements to be eligible in accordance with the EU taxonomy, information on active projects and their net sales during 2022 have been gathered from Knowit's ERP system. Based on this information, project managers have in the next step been sent a questionnaire survey, to identify the projects that might be eligible. An overview of the results as regards net sales, capital expenses (CapEx), and operating expenses (OpEx) is found in the table below.

KPI	Net sales, %	Capital expenses, %	Operating expenses, %
Share covered by the EU taxonomy	16	61	0
Share compatible with the EU taxonomy	0	1	

For a detailed description of the methods used and reports on the complete results, see pages 111-114.

Pillar 4 The society of the future

DIGITALIZATION HAS THE power to transform society for the better. This is something that has been undervalued by society, for several reasons. Therefore, Knowit needs to use its network and its position to influence and accelerate action in society, in line with the 2030 Agenda for Sustainable Development and to realize the Paris Agreement.

The coming decade is crucial. The latest report from the Intergovernmental Panel on Climate Change (IPCC) warns of serious consequences if we fail to limit global warming to 1.5 °C. Digitalization can provide the world with solutions to one of the global challenges of our time. But achieving a truly positive effect of digitalization requires collaboration across multiple levels and areas, such as technical solutions, business models, financial incentives, new legislation, social planning, new financial models, and methods for evaluation and transparency. Step-wise improvement, made possible through digitalization, is relatively easy to achieve, explain, measure, and support politically. A larger transformation and systemic change, while necessary to achieve the targets set, is often more complex and hard to explain, measure, and support politically. We believe that the transformative and systems changes needed to achieve the UN sustainable development goals are more demanding, but will also have better results.

As part of Knowit's journey towards being at the forefront in driving and promoting efforts to ensure a better, more sustainable future, we want to highlight some of the initiatives from 2022.

Digitaliseringskonsulterna

Knowit is an active member in the non-profit industry association Digitaliseringskonsulterna, which gathers consultancy firms with an ambitious climate agenda. The association was established by Cybercom in 2021. Currently, Knowit has the role as chairman in the association and also provides a part-time coordinator. The goal of the association is to collaborate to help society see and use the possibilities that digitalization provides to promote a fast climate shift. The association is to work actively to support politics, the private sector, and the public sector to understand how Sweden can quickly transform into a fossil-free welfare society with increased competitiveness and growth through digitalization, design, transformation management, and innovation. The association also has a particular goal to establish its members as solutionmakers with a central role in the transformation, through competence and experience sharing. An example of the important work done by the association is development of a sector-wide standard to calculate avoided emissions. The goal is to agree on a transparent, trustworthy way to quantify in what way digital solutions contribute to decreased emissions in society. For more information, see digitaliseringskonsulterna.se.

Knowit is part of Women in Tech

Diversity and equality are core values for us at Knowit and we want to contribute to attracting more women to our industry and getting them to stay here. Our partnership with Women in Tech (WiT) is an important part of this work. Through our joint efforts, we can work as role models, increase awareness, and change the standard in the industry to increase social sustainability. This work may not only affect our workplaces today, but can also pave the way for our future generations. As a partner and sponsor, Knowit took part in the annual WiT conference in Stockholm in May 2022, where 2,500 people participated in a energy-filled day with many inspiring and relevant topics being discussed. During the fall, Knowit and WiT also organized two successful meet-ups in our offices in Sundsvall and Malmö, where we offered mingling and networking mixed with lectures and panel talks. In 2023, we will remain a co-creative partner of Women in Tech. For more information, see women-in-tech.org/.

Knowit gives of its time and knowledge

Within Knowit, we have collaboration hubs for innovation, so-called Innovation Zones. There, clients, partners, academies, and colleagues can explore new technology and methods with the ambition of finding new solutions that create value and enable for a sustainable future.

Established Innovation Zones have a designated innovation leader, who is tasked with supporting consultants and new talents in client-operated or in-house projects. In these projects, they develop their skills and knowledge within innovation, broaden their competence, and can also update their own project portfolios.

Start-ups that try to solve important societal questions or realize a more sustainable future, so-called Impact start-ups, get particular support from Innovation Zone, where Knowit's consultants acta as mentors, develop or digitalize the start-ups' deal pro bono or at a discount rate. One example of such a project is together with Water in Sight, which digitalizes the gathering of water and weather data with simple mobile and technical solutions. This is a start-up operating in several African countries, which needed support in the form of AWS and digital security expertise.

"When Knowit supported our early startup journey at Water in Sight, we quickly got access to their unique strategy, UX, and AWS expertise. The commitment and knowledge of the Knowit team was more than we could have imagined when we suddenly faced a challenge for

our innovation for gathering water and climate data from low-income countries. Their solutions improved our client services. Further, Knowit has the UX potential of our homepage and created a roadmap that is now guiding our new homepage and communication with the outside world," says Louise Croneborg-Jones, CEO and founder of Water in Sight.

Pro bono projects in 2022

Pro bono initiatives are performed in a decentralized way in all our business areas, to nurture local and personal commitment. Examples of areas where Knowit has contributed pro bono in 2022 include developing and managing apps, web solutions, and intranet solutions for various organizations and associations, and supporting various events in programming with a focus on sustainability.

Continued key partner to UNHCR

During the year, we have remained a key partner to UNHCR and thus contributed to the important aid to dis-

placed people. In December 2022, Knowit and Knowit's employees raised over SEK 600,000 for UNHCR's work with supporting Ukrainian refugees and people in Ukraine affected by the Russian invasion. In past years, Knowit has raised money for UNHCR's project "Refugee Scholarship Programme" and for innovative refugee shelters in Iraq and displaced families from Aleppo.

KPIs

(Independently defined indicator) Christmas gift to UNHCR and other group-wide initiatives

- 2022: SEK 1,791,000
- 2021: SEK 1,115,000
- 2020: SEK 577,000
- 2019: SEK 1,073,000
- 2018: SEK 912,000

(Independently defined indicator) Local sponsorships and pro bono projects

- 2022: SEK 2,597,000
- 2022. SER 2,397,000
 2021: SEK 2,926,000
- 2021: SEK 2,920,000
 2020: SEK 3,222,000
- 2019: SEK 2,862,000
- 2018: SEK 2,917,000

Other sustainability information

LONG-TERM FINANCIAL SUSTAINABILITY is governed by the financial targets reported on page 12.

The outcome of the financial sustainability is reported on page 12. Further, the financial key figures are reported on page 68. Long-term financial sustainability is the most important condition for Knowit to remain an attractive supplier, partner, and employer – and to contribute to developing society in a more sustainable direction over time.

\rightarrow SUSTAINABILITY REPORTING

Policies

POLICY	AIM	OWNERSHIP	FOLLOW-UP
Action plan against discrimination and harassment/sexual harassment	Knowit has a zero tolerance of discri- mination and all forms of harassment. This action plan describes the measu- res taken by Knowit to prevent and coun- teract discrimination, harassment, and sexual harassment. It also describes Knowit's routines for how a report or statement on discrimination, harass- ment, or sexual harassment should be managed and investigated	HR	The employee survey's annual questions on harassment and discri- mination; analyzed by an external party
Action plan against stress-related ill health	Stress-related ill health is increasing in so- ciety in general. More people than before have trouble with their work-life balance. The risk of suffering from the feeling of losing control of one's life, both at home and at work, is increasing. This action plan describes how we at Knowit work to prevent stress-related ill health and how we work to rehabilitate those people who are on stress-related sick leave	HR	KPI: III health metrics, through internal follow- up
Code of Conduct	Knowit's corporate culture is based on the idea of a sustainable society and is created in collaboration between responsible executives and employees and based on respect for the value and dignity of each person, as well as openness and honesty. In this docu- ment, we describe what this means in practice in relation to our various stakeholders	Corporate Management Team	KPI: All KPIs, through internal follow-ups
Communication policy	The communication policy gives every- one at Knowit a set of joint guidelines for internal and external communica- tion. It also describes how we divide up responsibility for communication	Head of Communi- cations	Not followed up
Environmental policy	In day-to-day work, Knowit's emp- loyees, sub-consultants, and other people working under Knowit's super- vision in Knowit's offices shall be aware of the Company's positive and nega- tive environmental impact and work to minimize the negative impact	Head of Sustainability	The Climate Footprint Assessment
Equality and diversity policy	Using information, we shall increase awareness of equality issues and strive for an open attitude and equal treatment throughout the Company	HR	KPI: Employee survey through external supplier
External privacy policy	In this Privacy policy, we describe the processing of personal data performed within the framework of our operations, the purposes of the processing, the legal grounds for the processing, which parties we might share the personal data with, and the affected parties' rights in relation to the personal data we process	CISO	Internal follow-up

continued

POLICY	AIM	OWNERSHIP	FOLLOW-UP
Information security policy	The purpose of this policy is to protect our clients, Knowit as a Company, our brand, our employees and our business against interruptions and outages, as well as reducing risks and damages by preventing and managing unwanted incidents and breaches	CISO	Number of losses of customer data, through internal follow-ups
Privacy policy for Knowit employees	In this Privacy policy for Knowit emp- loyees, we describe the processing of personal data performed within the framework of our operations, the purpo- ses of the processing, the legal grounds for the processing, which parties we might share the personal data with, and the employees' rights in relation to the personal data we process	CISO	Internal follow-up
Supplier Code of Conduct	Knowit's corporate culture is based on the idea of a sustainable society and is created in collaboration between responsible executives and employees and based on respect for the value and dignity of each person, as well as open- ness and honesty. In this document, we describe what this means in practice in relation to our various suppliers	Corporate management team	Supplier evaluation
Work environment policy	No Knowit employee should be the victim of physical or psychological harm or be injured as a result of his/her work. If this does happen, Knowit as an employer, has readiness for handling the situation and helping the affected person	HR	KPI: Number or work-related injuries KPI: III health metrics, through internal follow-up

Sustainability risks

Knowit has identified significant sustainability risks in the personnel area and in the climate and environment area. The description of these risks can be found in the corporate governance report on page 62 in this Annual Report. Missteps or incidents in areas like anti-corruption, human rights, and social conditions could have negative consequences for the Company. To minimize these, the Company has a clear Code of Conduct that addresses these areas, among other things.

Knowit's essential issues

The key to sustainability work that contributes to long-term value creation is to understand the surrounding world and the stakeholders' expectations in a changeable time. Knowit's essentiality process to identify the most important issues contributes to prioritizing the sustainability issues that Knowit should be focusing on. This analysis of the societal changes that Knowit and its stakeholders can affect and are affected by is the foundation for how sustainability is integrated into Company strategy and reported. A full essentiality analysis is done every other year, with a review and smaller adjustments being made in between these occasions. In 2022, a review was performed, which showed that the results of the essentiality analysis of 2021 in all significant aspects is are valid. As of 2023, a double essentiality analysis will be performed, in accordance with CSRD.

Stakeholders

STAKEHOLDER GROUP	DIALOGUE	HOW KNOWIT CREATES VALUE
Employees	 Annual employee surveys Developmental talks Ongoing dialogues between employees and management team Sustainability survey 	 Employeeship Attracting the right competence Safeguarding diversity and equality Decreasing negative climate impact in our operations Contributing to a fossil-free society Contributing to services for a circular economy and humane digitalization Knowledge on digitalization Social accountability Recycling of IT equipment Our work environment efforts serving to create a healthy workplace
Clients	 Client surveys Ongoing dialogues in sales and during assignments 	 Employeeship Contributing to services for a circular economy and humane digitalization Creating security solutions Knowledge on digitalization Work with creating a Fossil-Free Sweden Long-term financial sustainability In the role as an Enabler and Solution Provider, contribute to significantly decreasing the environmental impact of our client and our clients' clients and customers
Shareholders	 The AGM Contact with the Board Analyst/investor meetings with the management team 	 Attracting the right competence Employeeship Contributing to services for a circular economy and humane digitalization Long-term financial sustainability Knowit's work to contribute to the sustainability efforts of its clients
Society	 Ongoing dialogues during assignments Continuous contact with various organizations, labor market players, politicians, and authorities 	 Safeguarding diversity and equality Contributing to services for a circular economy and humane digitalization Contributing to a fossil-free society Creating security solutions Knowledge on digitalization Attracting competence

About this report

This report summarizes Knowit's way of working to integrate sustainability in its operations and business model, and reflects this work during 2022. Knowit strives to report on sustainability efforts in a relevant, transparent way. An essentiality analysis and a stakeholder analysis make up the foundation for the reporting and Knowit's way of working with sustainability in the future.

Knowit uses the GRI (Global Reporting Initiative) standard framework as guidance in its reporting. The Annual Report contains standard information and key figures connected to the most essential issues. Data collection was performed during the financial year January – December 2022. The report has been reviewed by Knowit's Board and Corporate Management Team.

For more information on this report and on Knowit's sustainability efforts, please contact Joakim Pilborg, Head of Sustainability, +46 730 74 66 37, joakim.pilborg@knowit.se.

The Auditor's statement on the regulatory sustainability report

To the AGM of Knowit AB (publ), company reg. no 556391-0354

Task and division of responsibilities

It is the Board that is responsible for the sustainability report for the year 2022, on pages 35-53, and that it is drawn up in accordance with the Swedish Annual Accounts Act.

Audit scope

Our audit has been performed in accordance with FAR's recommendation RevR 12 Auditor's statement on the regulatory sustainability report. This means that our audit of the sustainability report has a different and signifi-

cantly smaller scope as compared with the scope of an audit in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the audit evidence we have obtained is sufficient to provide a basis for our statement.

Statement

A sustainability report has been drawn up.

STOCKHOLM, APRIL 6 2023 KPMG AB

HELENA ARVIDSSON ÄLGNE Authorised Public Accountant

Board of Directors



JON RISFELT Chairman of the Board, Board work/Advisor. Born: 1961. Board member since: 2013. Other directorships: Axentia Group Holding AB (chairman), CAB Group (chairman), Bilia AB, Boule Diagnostics AB, Projektengagemang Sweden AB. Education: MSc in Chemical Engineering, Royal Institute of Technology, Stockholm. Professional experience: The Ericsson Group in Sweden and Mexico, SAS, American Express Card, American Express Travel, CEO Nyman & Schultz, CEO Europolitan, CEO Vodafone Sverige, CEO Gambro Renal. Dependence according to Swedish Code of Corporate Governance: Independent in relation to the Company, management, and major shareholders. Holdings: 5,545 shares.

OLOF CATO CEO Formica Capital. Born: 1973. Board member since: 2021. Other directorships: Formica Ventures AB. Education: MSc in Engineering Physics, Chalmers University of Technology. Professional experience: Formica Capital, JCE Group, Litorina, Kennet Partners. Dependence according to Swedish Code of Corporate Governance: Independent in relation to the Company and management, but not in relation to major shareholders. Holdings: 1,000 shares.

STEFAN GARDEFJORD CEO/President Swedish Space Corporation. Born: 1958. Board member since: 2018. Other directorships: BTS Group AB. Education: Secondary degree in economics. Professional experience: CEO and President Swedish Space Corporation (Svenska Rymdaktiebolaget), CEO Logica Sweden, CEO WM-data Sweden. Dependence according to Swedish Code of Corporate Governance: Independent in relation to the Company, management, and major shareholders. Holdings: 1,000 shares.

SOFIA KARLSSON Investment Director, JCE. Born: 1986. Board member since: 2021. Other directorships: Baltic Safety Products Aktiebolag (publ), Bruks Siwertell Group AB, Axel & Phil AB. Education: MSc in Industrial Economy, MSc Supply Chain Management, Chalmers University of Technology. Professional experience: Investment director at JCE, Manager and management consultant at Arthur D. Little. Dependence according to Swedish Code of Corporate Governance: Independent in relation to the Company, management, and major shareholders. Holdings: 500 shares.

CAMILLA MONEFELDT KIRSTEIN President BA Food Europé, Electrolux Professional AB. Born: 1972. Board member since: 2014. Education: MSc Industrial Economics – Norwegian Institute of Technology (NTNU), MSc Operational Research – London School of Economics and Political Science (LSE). Professional experience: Management positions at Oriflame Cosmetics AB, SAS Group, K-World, Management consultant at McKinsey & Company. Dependence according to Swedish Code of Corporate Governance: Independent in relation to the Company, management, and major shareholders. Holdings: 1,000 shares.

KIA ORBACK PETTERSSON Board work. Born: 1959. Board member since: 2018. Other directorships: ChefAkademin (chairman), SVT (chairman), ÅWL Arkitekter (chairman), the Karl Adam Bonnier Foundation, and others. Education: MBA, Lund University. Professional experience: Marketing director at DN, COO at Guldfynd/Hallbergs, Business development at Securum/Castellum, CEO at Sturegallerian, Head of marketing at Medvik/Kinnevik. Dependence according to Swedish Code of Corporate Governance: Independent in relation to the Company, management, and major shareholders. Holdings: 1,200 shares.

Management Team



CARIN STRINDMARK Head of Knowit Insight. Born: 1975. Employed at Knowit since: 2004. Education: BSc in Business operations management and HR, Indiana University. Holdings in Knowit: 1,250 shares.

FREDRIK EKERHOVD Head of Knowit Experience. Born: 1982. Employed at Knowit since: 2011. Education: MBA, Norwegian School of Economics. Holdings in Knowit: 37,000 shares.

BO STRÖMQVIST Interim Head of Knowit Connectivity. Born: 1964. Employed at Knowit since: 2012. Education: Degree in system science, Linköping University. Holdings in Knowit: 1,810 shares.

ÅSA HOLMBERG Head of Knowit Solutions. Born: 1968. Employed at Knowit since: 2013. Education: MSc in Engineering, Royal Institute of Technology, Stockholm. Holdings in Knowit: 1,200 shares.

CHRISTINA JOHANSSON Head of Communications. Born: 1965. Employed at Knowit since: 2017. Education: MSc in Business and Economics, Uppsala University. Holdings in Knowit: 2,040 shares.

PER WALLENTIN CEO and President. Born: 1971. Employed at Knowit since: 1999. Education: MSc in Business and Economics, Gothenburg University. Holdings in Knowit: 40,000 shares.

MARIE BJÖRKLUND CFO. Born: 1978. Employed at Knowit since: 2019. Education: MSc in Business and Economics, Uppsala University. Holdings in Knowit: 600 shares.

LINDA WESTLUND Head of People & Culture. Born: 1978. Employed at Knowit since: 2014. Education: BSc in Human Resource Management, Mid-Sweden University, Sundsvall. Holdings in Knowit: 1,207 shares.

DENNIS LUNDKVIST Head of Business Support. Born: 1976. Employed at Knowit since: 2016. Education: MSc, Royal Institute of Technology, Stockholm. Holdings in Knowit: 2,414 shares.

Directors' report

KNOWIT AB (PUBL.), with the company registration number 556391-0354, is a public limited liability company headquartered in the municipality of Stockholm in Region Stockholm, Sweden. The Board of Directors and the CEO of Knowit AB (publ) herewith present the Annual Report for the Parent Company and the Group for the financial year 2022.

General operations and 2022 in brief

Knowit are digitalization consultants and makes the digital business models of the future a reality. Deliveries are made from four business areas: Solutions, Experience, Connectivity, and Insight. Advertising and marketing converge with IT and new business models appear thanks to new technology. The Company's ability to combine competencies in tech, design, communication and management consultancy is a crucial key to success. The services encompass system development and application management, communication solutions for web and market communication, the internet of things, and strategic consultancy. Increased collaboration within and between business areas, irrespective of geography, reinforces our client offerings and has contributed to the positive development of results and sales during the year. Knowit is a group that, thanks to its decentralized work methods, facilitates for its subsidiaries to act independently, but also develop by being part of something greater. A focus on employees and culture and sustainable values are central parts of Knowit.

The world has, in 2022, been characterized by an uncertainty, with the pandemic being followed by war in a nearby region with large economic consequences.

Still, the development in the Group has been positive during 2022, with solid growth and increased EBITA profit, but somewhat decreased EBITA margin. The demand for digitalization is strong in the long term, in both the private and the public sector, as an effect of changing customer behaviors in society, but also as a result for the development of new technology and innovations, which create the possibilities to develop smarter and more sustainable solutions. This has been beneficial for the Company, which is well-positioned with its broad competence in system development and digital transformation. During the year, the Company has increased its number of employees by around 560, which has created the conditions for the strong growth seen in all business areas. Profitability has during the second half of the year been somewhat impacted by an expanding sub-consultancy deal and increased costs for entertainment and travel following COVID-19.

In summary, the year has been characterized by strong growth arising from both acquired units and sound organic growth, despite a changed situation in the outside world and some concern about a possible recession.

Solutions has had sound growth during 2022. The business area has worked successfully during the year to culturally integrate new employees, with a concurrent focus on improved team deliveries. During the fall, Knowit acquired Miracle AS, a Danish consultancy firm with strong position in system development and consultancy, and high competence in open source platforms. The acquisition, belonging within the business area Solutions, further reinforces the business area's position on the Danish market.

Experience has, thanks to its strong position, in particular in Norway and Sweden, succeeded in increasing its volume and strengthening its offer in design, consultancy, and tech. In early 2022, Knowit acquired the Danish tech and design agencies 1508.dk and Strømlin, which belong in the business area Experience. The new operations, combined with the existing operations of the business area Experience in Copenhagen and Aarhus, are expected to create a strong platform for continued growth on the Danish market.

Connectivity was added as a business area in connection with the acquisition of Cybercom in 2021. It has had sound growth on all markets during the past year. Among other things, the business area has a strong offer through its operations in Poland, making the offer even more relevant. During the year, Knowit acquired Swedspot, a company focused on program development for the vehicle sector. The company is an important addition to the business area Connectivity and supplements its existing offers.

Insight, which is Knowit's smallest business area, has had a good year with increased net sales and profit. Specific areas of competence, such as Cybersecurity, have been characterized by particularly strong growth. In July, Insight acquired the holding company Marketing Clinic Oy, which has strategy consultants, primarily in Helsinki, as well as operations in Oslo and Stockholm. In October 2022, Ascend AB and its sister company Ionic AB, with employees in Stockholm, were also acquired. The companies reinforce the existing management offer, primarily in the areas Business Technology and Commercial Excellence.

Operations in Knowit are conducted in about 80 subsidiaries, located in larger and smaller towns in Sweden, Norway, Finland, Poland, and Denmark. The subsidiaries are part of one of the four business areas of the Group. The management team continually reviews the companies' locations and size, to achieve positive effects in the form of cost savings and increased collaboration regarding sales and administration.

The Parent Company Knowit AB is in charge of groupwide functions such as consolidated reporting, financial administration, internal and external information, marketing, IR, acquisitions, security, sustainability, group-wide policies, HR, and CSR. The corporate management consists of the CEO, CFO, the Head of Communication, the Head of Business Support, the Head of People & Culture, the Head of Corporate Sales & Partnerships, and the heads of the business areas. It is the responsibility of the management team to continuously evaluate the result development of the Group and its subsidiaries. Throughout the year, the management develops strategies and business decisions, deciding on group-wide activities in the long and short term to execute strategies and achieve the goals set.

Knowit is listed on OMX Stockholm since 1997 and was, as of January 2018, moved from the Small Cap list to the Mid Cap list. At year-end, Knowit had a total of 12,843 shareholders. For further information about Knowit AB's ownership distribution, see the section "The share" in this Annual Report.



SALES AND PROFIT

The Group increased net sales by 42.0 percent, to SEK 6,833.7 (4,811.8) million. The operating profit before amortization of intangible assets (EBITA) increased by 36.0 percent to SEK 596.5 (438.5) million. The EBITA margin was 8.7 (9.1) percent.

Net sales in Sweden increased to SEK 3,210.4 (2,521.2) million and the operating profit before amortization of intangible assets (EBITA) increased to SEK 421.4 (306.5) million, corresponding to an EBITA margin of 13.1 (12.2) percent.

Net sales in Norway increased to SEK 2,110.0 (1,606.7) million and the operating profit before amortization of intangible assets (EBITA) increased to SEK 204.5 (175.7) million, for an operating margin of 9.7 (10.9) percent.

For the Finnish operations, net sales increased to SEK 614.1 (338.4) million and the operating profit before amortization of intangible assets (EBITA) was SEK 28.2 (30.3) million, for an operating margin of 4.6 (9.0) percent.

For the Danish operations, net sales increased to SEK 676.8 (254.3) million and the operating profit before amortization of intangible assets (EBITA) increased to SEK 44.4 (22.6) million, for an operating margin of 6.6 (8.9) percent.

For the Polish operations, net sales increased to SEK 199.7 (76.2) million and the operating profit before amortization of intangible assets (EBITA) increased to SEK 22.3 (7.7) million, for an operating margin of 11.2 (10.1) percent.

Knowit's net sales and EBITA were positively affected by exchange rate developments, with the effects being around SEK 187.8 (11.7) million and SEK 12.3 (2.3) million, respectively, largely due to the strengthening of the Norwegian and Danish krona relative to the Swedish krona.

Amortization of intangible assets totaled SEK -149.3 (-75.2) million.

The operating profit (EBIT) increased to SEK 447.1 (363.3) million.

The financial net was SEK 36.5 (6.8) million, mainly affected by disposal of non-controlling interests in Stacc AS of SEK 65.6 million, increased interest revenue of SEK 8.2 (0.3) million and interest costs of SEK -35.5 (-10.5) million, as well as revaluation of additional considerations of SEK -7.1 million. The net of interest revenue and interest costs totaled SEK -27.3 (-10.2) million. Interest costs from bank loans were SEK -23.1 (-6.2) million and leases totaled SEK -12.4 (-4.3) million. The result after financial items increased to SEK 483.7 (370.1) million.

Earnings after taxes increased to SEK 392.2 (294.8) million and the Group's tax expense amounted to SEK -91.5 (-75.3) million. For more details, see Note 14 Taxes. Earnings per share were SEK 14.05 (12.26).

SEGMENTS

The Group's operations are organized so that the corporate management mainly follows up net sales, EBITA profit, and average number of employees in the Group's segments. The corporate management team does not follow up on balance items other than intangible assets for the different segments. In connection with the acquisition of Cybercom, a fourth segment was created: Knowit Connectivity. Thus, the corporate management team mainly follows up on four business areas: Solutions, Experience, Connectivity, and Insight. Other items include mainly cloud services of smaller scope, the Parent Company's group-wide costs for financing and marketing, and IFRS 16 adjustments not allocated across the segments.

Net sales for the segment Solutions increased to SEK 3,924.4 (2,807.5) million, for the segment Experience to SEK 1,585.4 (1,306.8) million, for the segment Connectivity to SEK 1,040.3 (479.4) million, and for the segment Insight to SEK 730.8 (489.2) million. The operating profit before amortization of intangible assets (EBITA) increased to SEK 398.6 (318.3) million for the segment Solutions, to SEK 167.8 (131.9) million for the segment Experience, to SEK 118.6 (48.3) for the segment Connectivity, and to SEK 68.6 (50.0) million for the segment Insight. The EBITA margin was 10.2 (11.3) percent for the seqment Solutions, increased to 10.6 (10.1) percent for the segment Experience, increased to 11.4 (10.1) percent for the segment Connectivity, and was 9.4 (10.2) percent for the segment Insight. The Parent Company's results and group adjustments are not included in segment reporting.

CASH FLOW

Cash flow from operating activities increased to SEK 475.3 (462.8) million, affected by a positive result development, but also by taxes paid totaling SEK -195.1 (-64.4) million, related to restructuring effects in Finland, among other things. The change in operating capital was SEK -58.3 (-49.8) million, affected mainly by increased accounts receivable. Cash flow from investment activities totaled SEK -750.9 (-411.9) million, affected mainly by the acquisitions of 1508.dk, Strømlin, Swedspot, Miracle, Marketing Clinic, Ascend, and Ionic, investments in property, plant and equipment, and sales of financial assets. Additional consideration paid to settle acquisitions made in earlier years totaled SEK -66.0 (-14.9) million, affected by consideration for Creuna and Swedspot. Cash flow from financing activities was SEK -88.1 (126.6) million, affected by dividends, new loans, and amortizations/depreciations. Total cash flow was SEK -363.7 (177.5) million.

FINANCIAL POSITION

Current assets, excluding cash and cash equivalents, increased to SEK 1,636.5 (1,240.0) million, of which increases in accounts receivable were SEK 264.0 (472.2) million. Cash and cash equivalents were SEK 497.7 (851.4) million.

The Group's intangible assets increased to SEK 4,629.7 (3,839.5) million, of which goodwill totaled SEK 3,754.6 (3,120.5) million, and other intangible assets totaled SEK 875.1 (719.0) million. Impairment tests carried out per segment show a high margin between reported value and fair value based on assessed future cash flow. At year-end, shareholders' equity had increased to SEK 4,207.6 (3,892.4) million, for an equity/asset ratio of 55.3 (61.4) percent. The change in equity is mainly due to profit for the period totaling SEK 392.2 (294.8) million, dividends paid totaling SEK -204.1 (-152.0) million, translation differences totaling SEK 103.8 (54.3) million, results of hedging of exchange rate risks in foreign operations totaling SEK 51.4 (5.1) million, changed liabilities connected to acquisitions on non-controlling interest shares totaling SEK -28.4 (1.5) million, and changes in non-controlling interest shares totaling SEK -6.1 (4.4) million.

Interest-bearing liabilities had increased to SEK 1,594.7 (892.9) million on December 31, 2022. 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. In all, the granted credit facilities total SEK 1,050 million. As per December 31, 2022, SEK 700.0 (455.3) million of the

DIRECTORS' REPORT

granted credit facilities were used. Lease liabilities totaled SEK 643.7 (247.6) million, and liabilities related to future consideration and consideration in subsidiaries totaled SEK 251.1 (190.0) million. The long-term part of interestbearing liabilities totaled SEK 1,303.3 (286.3) million and the short-term part SEK 291.4 (606.6) million. During the year, long-term liabilities have increased, mainly due to new loans of SEK 344.7 million and reclassification of loans totaling SEK 355.3 million from short-term liabilities. Further, the financial lease liabilities have increased by SEK 340.6 million. Short-term liabilities have decreased mainly due to reclassification of loans totaling SEK 355.3 million for solution statement of the short term liabilities.

ACQUISITIONS, SALES, AND START-UPS

On January 3, 2022, Knowit AB acquired 80 percent of the shares in the design agency 1508.dk and 100 percent of the tech agency Strømlin. The remaining 20 percent of 1508.dk will be acquired during 2023 and 2024. The new operations, combined with the existing operations of the business area Experience in Copenhagen and Aarhus, are expected to become a strong platform for continued growth on the Danish market. The companies' offers supplement each other well and reinforce Knowit Experience's offer in mainly design, consultancy, and tech.

On June 1, 2022, Knowit acquired 100 percent of the shares in Swedspot, a company with a strong focus on software development for the car industry. The company has around 40 employees and is based in Gothenburg and Trollhättan. Swedspot will be an important addition to Knowit's business area Connectivity, and supplements existing offers within embedded systems with both broad competence in software development and a unique platform with smart services for connected vehicles.

On July 1, 2022, Knowit acquired 90 percent of the shares in Miracle A/S, a Danish consultancy company with well-positioned operations in system development and advisory activities, and high competence in open source platforms. The company has around 130 employees with offices in Copenhagen, Aarhus, and Aalborg. Miracle is part of the business area Knowit Solutions, which means that Knowit will get a significantly stronger position on the Danish market.

On July 1, 2022, Knowit acquired 100 percent of the shares in the holding company Marketing Clinic Oy, which has around 60 strategy consultants, primarily in Helsinki. The company also has operations in Oslo and Stockholm. Through the acquisition, Knowit strengthens its position in management consulting on the Finnish market and broadens its offer in growth and business development strategies. Marketing Clinic is part of the business area Knowit Insight.

On October 1, 2022, Knowit acquired 100 percent of Ascend AB and its sister company lonic AB, with a total of around 60 employees in Stockholm. The companies are part of the business area Insight and strengthen the existing management offer, primarily in the areas Business Technology and Commercial Excellence.

The acquisition analyses remain preliminary.

On June 27, 2022, Knowit sold the Group's holdings in the Norwegian fintech company Stacc AS. The sale led to realization of capital that facilitates further investments in the Group's core operations.

A buy-out of non-controlling interests has been established, with compensation totaling SEK 5.9 (23.0) million.

OTHER INVESTMENTS

Aside from investments in company acquisitions, investments in property, plant, and equipment totaled SEK 73.4 (12.1) million.

Parent Company

The Parent Company's net sales increased to SEK 730.9 (566.9) million. The operating profit before amortization of intangible assets (EBITA) totaled SEK -134.6 (-104.3) million. The result after financial items increased to SEK 584.1 (100.5) million. The financial net increased to SEK 724.1 (209.5) million, affected mainly by group contributions and dividends from subsidiaries totaling SEK 704.1 (201.0) million. The Parent Company's cash and cash equivalents were SEK 329.3 (699.2) million. Shareholders' equity increased to SEK 2,981.8 (2,652.4) million and untaxed reserves, mainly accrual funds, increased to SEK 159.6 (128.0) million. Interest-bearing liabilities increased to SEK 1,594.7 (892.9) million, of which long-term liabilities amounted to SEK 1,303.3 (286.3) million and short-term liabilities to SEK 291.4 (606.6) million.

Employees

Knowit has increased the number of employees by 561 to 4,410 (3,849) as per December 31, 2022.

The average number of employees during the period was 3,877.2 (2,979.7). Employee turnover remains at a low level for the industry.

Share structure

The number of shares on December 31, 2022, was 27,408,600 (27,408,600).

Corporate governance

The work of the Board, the audit committee and the nomination committee are described in the corporate governance report on pages 64-67.

Compensation to senior executives

GUIDELINES FOR 2022

At the AGM on 28 April, 2020, a decision was made on new guidelines. The guidelines remain unchanged unless new guidelines are adopted. At the AGM on May 2, 2022, no decision on new guidelines was made, meaning that they remained unchanged. The guidelines pertain to salary and other remuneration to the CEO of Knowit AB and other senior executives in the Group (currently five people). The guidelines encompass remuneration to Board Members as an employee at or for performance of consultancy assignments for Knowit AB or any other Group company. The guidelines will be applied after being adopted by the AGM in 2020 to remunerations later agreed and to changes of remunerations previously agreed. The guidelines do not apply to the AGM's decisions on fees for board work, issues of shares in the Company, transfer of securities, or the right to acquire securities from the Company in the future.

DIRECTORS' REPORT

For a Board Member's consultancy assignments for the Company or any other Group company, a fair market fee shall be set, taking into account the competence and experience of the Board Member, and the verifiable time spent performing the assignments.

The guidelines promote the Group's business strategy, to create long-term value through modern and creative solutions for digitalization and innovation, the Company's long-term interests and sustainability through a fair and competitive remuneration, taking into account the responsibilities and complexity associated with the position.

Forms of remuneration

Remuneration may be in the form of fixed cash salary, variable cash remuneration, pension benefits, and other benefits such as life insurance, health insurance, and car benefits. The AGM can also – beyond the scope of these guidelines – decide on share- or share price-related remunerations, for example.

Variable cash remuneration services to promote the Company's business strategy, long-term interests and sustainability, and should be based on outcome in relation to the targets and connected to the employee's performance. Fulfilment of criteria for payout should be measured by calendar year. The variable cash remuneration may be at most 50 percent of the fixed cash salary for the same calendar year. The variable remuneration is on condition that the Company does not report a loss for the year to which the remuneration pertains. The variable cash remuneration is not to be grounds for pension benefits.

Pension benefits, including health insurance, shall be fixed to premiums, and the pension premiums shall be at most 35 percent of the fixed annual cash salary.

For other benefits, such as life insurance, health insurance, and car benefits, the premiums and other costs may be at most 10 percent of the fixed annual cash salary.

In employment relations that are not subject to Swedish rules, adaptations can be made to pension benefits and other benefits, as required by mandatory rules or local practices. In this, the intentions of these guidelines should, in so far as possible, be observed.

Termination of employment

In case of termination on the part of the Company, the period of notice for the CEO shall be at most 24 months, and for other senior executives, at most 12 months. The fixed cash salary during the period of notice and severance pay may not, for the CEO, exceed a sum corresponding to the fixed cash salary for two years, and for other senior executives, may not exceed a sum corresponding to the fixed cash salary for one year. In case of termination to the part of the executive, the period of notice shall be at most six months, without a right to severance pay.

In addition, remuneration may be paid out for an undertaking of non-competition after the end of employment. Such remuneration shall serve to compensate for loss of income and shall only be paid to the extent that the former executive does not have the right to severance pay. This remuneration shall be at most 60 percent of the fixed cash salary at the end of employment.

Criteria for variable cash remuneration

The variable cash remuneration shall be connected to predetermined and measurable criteria, which may be

financial or non-financial quantitative or qualitative targets tailored for the person in question. The criteria shall be such that they promote the business strategy and longterm interests of the Company, including sustainability.

When the measuring period for fulfilment of the criteria for variable cash remuneration has ended, the Board shall, based on the assessment of the remuneration committee, determine the extent to which the criteria were fulfilled. As regards financial targets, the assessment shall be based on the financial information made public by the Company.

Salaries and employment terms for Company employees

In the drafting of these guidelines, the salaries and employment terms for Company employees have been taken into account, as information on the total remuneration to employees, its components, its increase and rate of increase over time, have all been part of the decision support for the remuneration committee and the Board in assessing the fairness of the guidelines.

Decision process used to determine, review and implement the guidelines

The Board has instated a remuneration committee, whose tasks include preparing the Board's decisions on suggested guidelines for remuneration to senior executives. These guidelines apply from the time of the AGM's decision in 2020 and until new guidelines are adopted by an AGM. The Board shall draft suggested new guidelines at least every four years, and make a suggestion on new guidelines for adoption no later than at the AGM in 2024.

The remuneration committee shall review and assess the application of the guidelines and the remuneration structures and levels applied within the Company. The remuneration committee shall also review and evaluate any share-related programs for variable remuneration to the corporate management team. The Company does not currently have any such program. In the Board's management of and decisions related to remuneration, the CEO and other members of the corporate management team shall not participate, to the extent they are affected by the matters in question.

Review of the guidelines

If the Board has performed a review of the guidelines and suggests amendments thereto, the Board shall present a report on and explanation of all significant changes compared with then-current guidelines and an explanation on how any input from shareholders has been taken into account.

Deviations from the guidelines

The Board may decide to temporarily entirely or partially deviate from the guidelines if there are particular reasons for this in an individual case and a deviation is necessary to protect the Company's long-term interests, including its sustainability, or to ensure the financial security of the Company. In such case, the remuneration committee shall prepare for the decision on deviation from the guidelines.

GUIDELINES FOR 2023

The Board will suggest unchanged guidelines to the AGM 2023.



Environmental impact

By their nature, Knowit's operations have little impact on the environment. The Group has no production or sales of physical products; it is exclusively engaged in consulting. Environmental work is an integrated part of operations and the CEO of each subsidiary has responsibility locally for implementing Knowit's environmental policy and management system. As part of Knowit's long-term environmental work, Knowit AB and some subsidiaries were certified in accordance with ISO 14001 during 2010. Knowit continually strives to minimize the usage of energy and other natural resources. Knowit follows up on environmental impact changes over time, with a focus on emission caused by trips taken by Knowit employees as part of their duties. This is the only significant source of indirect emissions of greenhouse gases caused by the Company's operations. For more information, see Knowit's sustainability report in this Annual Report on pages 35-53.

Diversity and gender equality

Knowit strives for an inclusive work environment where all employees thrive and feel at home. Differing experiences and perspectives are an important part of successful client projects and therefore also for Knowit's profitability. During the year, work with equality has continued with the aim of creating a more even gender distribution within the Group. The management team has initiated a project to create understanding and highlight gender issues, with the goal of creating a culture that is inclusive of both men and women. The work on equality also serves to increase the number of women among executives and is a high priority within the Company. The proportion of women among Knowit employees is now 30 (28) percent. The share of women among managers at all levels is 40 (40) percent.

Research and development

The Group's activities in research and development are limited. The Group has, as in previous years, not expensed any significant amount for this in 2022.

Risk exposure

There are a number of factors that might affect Knowit's operations, both indirectly and directly. Risks are a natural part of Knowit's operations and can, when correctly managed, add value.

Based on its vision and targets, Knowit identified, assesses, and manages its risks. It is the Board that is in charge of managing the risks. Several group-wide policies have been adopted. Knowit's operations are organized in independent subsidiaries. The Group has chosen a decentralized governance model, where responsibility for risk management has largely been shifted down through the corporate structure. The chosen governance model enables greater flexibility in the organization, as the affected parties are close to the operations and can therefore identify and make fast decisions on risk minimization and measures. An evaluation of operative and financial risks is performed by the management team and processed by the audit committee. Then, the evaluation is presented to the Board. The following describes a selection of the risks identified. As regards financial risks, please see Note 2 on page 83.

OPERATIVE RISKS Competitors

Knowit is continually exposed to competition in operating activities, as the market for IT consultants, digital solutions, and management consultants is fragmented, making it particularly competitive. The fast technical development in the field means that products and standards have limited lifespans. As an IT consultancy firm, Knowit is dependent on its employees keeping well up to speed with technical developments and having access to modern tools in order to successfully adapt and develop their offer and that of the Company. Increased competitiveness or the Company fails to successfully compete with its competitors can lead to a loss of market shares, which can in turn, over time, have a significant negative impact on the Company's sales. If Knowit is forced to take action due to increased competition, for instance lowered prices, or if the Company fails to compete in a successful way, this can lead to Knowit's profitability being negatively impacted and its market share decreasing, or that Knowit has difficulties in establishing relationships with potential new clients. To manage this risk, the Company focuses on communication. This serves to increase awareness about the brand and connect emotional drivers to the brand. In addition, Knowit is placing effort in geographic expansion through ventures in Finland and Denmark. The Group is performing extensive work in employer branding and is highly rated among existing and potential employees. This further strengthens the Company's position in relation to its competitors. A well-developed and welldefined service offering in all business areas, and collaborations between them, also strengthens Knowit.

Client and business risks

There is a risk that Knowit cannot live up to the requirements made by its clients or that the Company's clients do not make payments, choose not to renew their contracts, or renew their contracts on conditions less beneficial for the Company, because of circumstances attributable to the client. For the part of sales attributable to clients with framework agreements, any price changes would be due to renegotiations of these framework agreements. A decrease or loss of assignments from particularly important clients would negatively impact on Knowit's results, to the extent that the loss of such clients cannot be replaced by revenue from new clients or other existing clients. The Group manages this risk through careful and methodical follow-up of income, projects, clients, prices, and billing. Knowit's large number of frame agreements, and diversification through industry fields and geographically gives the Group strong possibilities of coping with a potential weakened demand. Knowit is not dependent on any one client, as the ten largest clients provide about 23 (24) percent of net sales. No client provided more than about 5 (5) percent of sales during 2022. Fixed-price projects account for 11 (12) percent of net sales 2022, and because of its extensive experience with such projects, Knowit considers the risk of costly miscalculations to be low. A 1 percentage point price change assessed to affect operating results by around \pm SEK 47.2 million. A 1 percentage point change in the billing ratio is assessed to affect operating results by around \pm SEK 56.0 million.



IT and information security

Knowit's increased dependence on IT systems and infrastructure creates increased risks, in particular connected to risks related to cyberattacks and data breaches. Knowit largely relies on IT systems and infrastructure to deliver its products and services. These systems are potentially vulnerable, which creates a risk of failure or downtime due to fires, power outages, system errors, or access on the part of an unauthorized party. The increased use and development of technology, in particular so-called cloud-based services, creates the risk of unintentional dissemination and intentional destruction of confidential information stores in Knowit's IT systems. Knowit also runs the risk of being affected by interrupted operations, breaches of confidentiality, and a damaged reputation due to industrial espionage, damaging code, or other types of cyberattacks. Such attacks aimed at Knowit can also lead to data breaches, either internally or externally. If Knowit were to be subjected to cyberattacks, extensive data breaches, or larger problems with IT operations, this could have a highly significant impact on the Company's possibilities to deliver products and services to its clients in accordance with contractual obligations, and on clients' confidence in the Company, which could also negatively impact on Knowit's brand and reputation (see further under the heading "Brand"). Policies and routines have been drawn up for how we manage and process information. This is done using technical solutions, such as encryption where information is stored, encrypted links when information is moved, and sorting out and erasing when the information no longer meets any operational needs. Knowit uses technical solutions to verify the identity of users who have access to non-public information and have modern solutions in place to protect our information from data breaches. Compliance with policies and routines are continuously followed up, and incidents are reported to the management team and audit committee.

Macroeconomic risks

Knowit is affected by general political, financial, and economic circumstances. Political, social, or financial instability, wars, natural disasters, trade sanctions, increased protectionism, pandemics, terrorist incidents, or wars can impact on the general demand for Knowit's services and affect the Company's organization and day-to-day operations through changes in the Company's work method and work environment. The current situation with war ongoing in our vicinity and high inflation, combined with high interest rates, has significantly increased the risk level and is shaping markets, with large negative effects around the world. This, along with high pressure on the banking sector with a potential global financial crisis as a result, may lead to a large and severe deterioration of the macroeconomic situation, which affects Knowit's possibilities to generate profit and growth on par with historic values and in accordance with the financial targets. Knowit manages this by always having a relevant offering, regardless of service category and business area. The Company has a broad mix of services in different price categories and with different project lengths. Knowit follows up on revenue and certain KPIs on a running basis, to be able to quickly act in case of changed behavior.

In case of events such as natural disasters, pandemics, terrorist incidents, or military attacks, Knowit will at all

times adhere to the rules and recommendations provided by relevant authorities. The plan is always to, in so far as possible, continue normal operations.

Brand

The brand "Knowit" is one of the most important business assets. Succeeding in retaining the value associated with the brand and protecting Knowit's repute are crucial to the Company's future. Knowit's repute is important in relation to both current and future clients. Knowit's brand is characterized by high specialist competence and client satisfaction and is also strongly anchored in sustainability matters, such as climate impact, equality, and employee health and security.

Knowit's brand might be negatively impacted by, for instance, rumors, negative publicity, or other factors, such as inappropriate or illegal conduct on the part of Knowit's employees, suppliers, and/or sub-consultants, whether or not such rumors or negative publicity are based on the truth. The good name and brand of the Company can be impacted if Knowit were not to act in line with its externally communicated line on ethics and sustainability. The good name and brand of the Company could also be impacted if Knowit's clients feel the Company is failing in its deliveries and the Company cannot maintain client satisfaction, or if it comes to light that the Company has flaws in its IT and information security (see further under the heading "IT and information security"). If Knowit's brand loses in value, this can have a highly significant impact on the Company's revenue, profit, and growth opportunities. The Company manages this, for example through continuous horizon scanning and professional communication. Further, Knowit's Code of Conduct governs how the Company builds relationships with stakeholders and the Company has also adopted other governance documents in the form of company-specific rules and policies, including on sustainability matters. The suppliers and sub-contractors that Knowit hires operate on the same markets as the Company and must operate in line with the same fundamental values as Knowit.

Growth

Knowit's growth target is that the Company shall grow more than the market and with an annual growth pace of about 15 percent over time. The growth shall occur in a sustainable manner, with continued organic growth and acquisition of companies that add specialist competence in geographic areas where the Company sees strong market potential. Knowit is currently performing a geographic expansion through ventures in Finland, Poland, and Denmark. Knowit's growth can be expected to entail significant demands on Knowit's management and its complex operative and financial infrastructure. Knowit has historically had strong growth and has the ambition to continue to grow, which creates several risks that are partially hard to predict. Growth can lead to increases in the complexity of the organization and the responsibilities of the corporate management team, which increases the burden on the managers and operative resources of the Company. This can lead to organizational problems, such as difficulties in recruiting competence staff and hiring sub-consultants with sufficient experience in the relevant area. Further, existing offices and systems for control, governance, finance, accounting, information, and other technical solutions may prove to be insufficient in case of further growth, meaning that

DIRECTORS' REPORT

further investments are needed in this area. If Knowit does not succeed in managing the increase of operation size and complexity resulting from future growth, this could have a negative impact of the Company's profit and financial position. There is also a risk that the Company does not succeed in realizing its growth strategy in a successful way, for instance by not gaining new market shares or successfully expanding on new markets as expected by the Company.

To manage this, Knowit has four clearly positioned business areas, with a clear growth strategy. In addition, the corporate management team has been reinforced and works with organizational development on the agenda.

Acquisitions

The performance of an acquisition and the integration of an operation can lead to unpredictable operational difficulties and costs. Each transaction that Knowit manages to identify and realize involves a number of risks that are both operational and company-specific. For instance, the Company might discover that the consideration for an acquisition exceeds its value, that there are unexpected obligations in the acquired undertaking, or that the transaction cost exceeds earlier approximations. Potential additional risks include that the acquisitions take an excessive amount of the corporate management team's time and resources, which in turn leads to decreased time and resources for the operation of existing Knowit operations, that an integration process takes longer or is more costly than expected, or that clients or employees are lost. Further, Knowit can fail to realize expected synergies or in some other way fail to achieve the desired goals of the acquisitions. As of December 31, 2022, Knowit reported goodwill of around SEK 3,755 million, corresponding to around 49 percent of the balance sheet total. If Knowit fails in a larger acquisition, this can have a significant impact on the Group's profit and financial position. The Company manages this risk by performing a detailed due diligence ahead of any acquisition, to achieve the most correct valuation possible. Further, ongoing integration efforts are continuously evaluated to uncover and deal with any discrepancies in a timely manner.

Personnel- and consultant-related risks

Knowit is dependent on retaining, developing, and recruiting qualified employees, including managers at both the Group and the subsidiary levels. Knowit operates in a sector where personnel turnover is generally high - as are salary demands. Further, high inflation means that the expectations on salary reviews increase. The Group assesses that competition is particularly fierce for qualified managers and consultants. This means that Knowit is required to have the ability to offer attractive terms, tasks and professional development. If Knowit does not succeed in its efforts to be viewed as an attractive workplace and maintain and develop the corporate culture within the Group and offer its employees the requested training and development, this can lead to non-retention or non-recruitment of qualified employees. Further, there is a risk that the sub-consultants the Company uses do not deliver on time or at the level with the cost projection or quality that Knowit expects. A loss of key staff or other employees, combined with failure to recruit new, qualified staff might have a negative impact on Knowit's operations, thus ultimately impacting on the Company's

profit. This risk is particularly relevant as regards recently acquired, not yet fully integrated, operations, where key staff are of particular importance to Knowit. Further, Knowit offers training and education to all personnel and regularly reviews employment terms to ensure that they are fair.

SUSTAINABILITY RISKS

Knowit has identified significant sustainability risks in the climate and environment area and the personnel area. Missteps or incidents in fields like anti-corruption, human rights, and social justice, could have negative consequences for the Company. To minimize these risks, the Company has a clear Code of Conduct that addresses these areas, among others.

Climate and environmental impact

A low level of knowledge among our employees regarding the effects and opportunities of digitalization creates a risk for overlooked business opportunities and/or incorrect advice to Knowit's clients, which could lead to unnecessary climate or environmental impact. Within the framework of a Fossil-Free Sweden, 22 sectors have devised roadmaps to show how they can strengthen their competitiveness by becoming fossil-free or climate neutral. As part of the work with the roadmap for digitalization consultants, the aforementioned risk has been concluded to be shared throughout the industry. Efforts have therefore been made to agree on an industry-wide education plan and in 2023, Knowit will be introducing a sustainability education for all employees, based on this plan.

If Knowit's travel habits are not changed to more sustainable travelling quickly enough, there is a risk that Knowit will not keep the Company's CO2 emissions within the targets for decreased emissions that Knowit has set and had approved by the Science-Based Targets initiative.

Personnel risks

There is a risk that employees are subject to sexual harassment, though it is small. The Company continues the preventive work through our gender project. If sexual harassment does occur, such incidents are managed in accordance with our plan of action, which takes the victim's needs as a starting point.

LEGAL RISKS

Risks related to public procurement

A not insignificant part of the Company's sales are to publicly controlled entities falling under the Act (2007:1091) on Public Procurement (LOU). The procurement process under LOU is often time-consuming and it is hard to predict how long a procurement process will take, which means that the Company is forced to prioritize which procurements it will participate in. Further, public procurements might include requirements on the size or net sales of the tenderer, which might exclude the Company from participating in the procurement. Changes to the legislation or amendments in the application of the existing legislation might preclude the Company from participating in some procurements. If the Company cannot participate in enough procurements, or if it prioritizes the wrong procurement, there is a risk that the Company vill miss out on important business opportunities in the public sector.



If Knowit were to be excluded from or fail to secure procurements, this could have a highly significant impact on the Company's net sales and thus on its operating profit.

Processing of personal data

The Company processes and stores a number of different kinds of data, in both electronic and physical form, including a large number of personal data in many assignments and in managing personal data registers. When the Company processes such data, it is important that the processing is performed in accordance with Swedish laws and EU regulations, such as the General Data Protection Regulation (EU) 2016/679 (GDPR). If the Company fails in its processing of personal data, for example, or becomes the subject of system hacking or in some other way erroneously becomes the subject of a legal breach, this can negatively impact the Company's brand and reputation (see further under the section "Brand") and the Company is at risk of having to pay fees for transgressions against the applicable regulations. If Knowit fails to observe the existing personal data legislation, this can have a highly significant impact on the Company's costs and thus also on the Company's operating profit.

FINANCIAL RISKS

Regarding financial risks, see page 83.

Events after the end of the financial year

No significant events have occurred after the end of the financial year.

PROPOSED DISPOSITION OF EARNINGS

Parent Company, SEK				
At the disposal of the AGM				
Share premium reserve	2,725,103,117			
Retained earnings after dividend	-359,998,456			
Result for the year	521,254,673			
TOTAL	2,886,359,334			
The Board of Directors proposes that the funds be treated as follows				
To the shareholders, dividends of SEK 7.50 per share	205,564,500			
Balance carried forward 1)	2,680,794,834			
TOTAL	2,886,359,334			

1) Of which SEK 2,725,103,117 in share premium reserves.

THE BOARD'S STATEMENT ON THE PROPOSED DIVIDEND

The Board of Directors proposes an increased dividend of SEK 7.50 (7.00) per share, in total around SEK 205.6 (191.9) million. Payment of dividends will take place on two occasions in 2023, like in the previous year. The Board suggests dividends of SEK 3.75 with a planned record date on May 5, 2023, and SEK 3.75 with a planned record date on November 16, 2023. The equity/assets ratio for the Group as of the balance sheet date, adjusted for the proposed dividend, is 54.1 percent. The proposed dividend and value transfers will not prevent the Parent Company or any Group companies from fulfilling their obligations or commitments in the short or long term or otherwise influence the ability to make necessary investments.

The proposed dividend takes into account the Parent Company's and the Group's upcoming liquidity needs and positive cash flow from operating activities. Dividends are in line with the Board's official dividend policy and reflect the Board's perception of expected market development. Dividends are calculated based on the number of shares on December 31, 2022: 27,408,600 shares. For further information on the financial position and results of operations of the Company and the Group, please refer to the following income statements, balance sheets and notes.

Corporate governance report

CORPORATE GOVERNANCE DEFINES the decision-making systems through which shareholders, directly or indirectly, control the Company. The purpose of corporate governance is to guarantee the Group's commitments to its stakeholders, such as shareholders, clients, suppliers, creditors, society, and employees.

Legislation and regulations

Corporate governance at Knowit is based on both external and internal regulations. The external regulations include the Swedish Companies Act, the Nasdag Nordic Main Market Rulebook for Issuers of Shares, the Swedish Code for Corporate Governance (the "Code"), and other applicable Swedish statutes and regulations. The Company's internal framework encompasses the articles of association, the rules and guidelines for corporate governance, the working order of the Board, the instruction to the CEO, and the policy documents adopted by the Company. The articles of association are the fundamental governing document for the Company, setting out the type of operations that the Company shall perform, the size of the share capital and the number of shares, the shareholders' rights to participate at meetings, election and dismissal of Board Members, and what should be discussed at the AGM. The Company observes the Code without deviation.

Knowit is a group with a large number of subsidiaries divided across four business areas. The Group has chosen a decentralized governance model, where the responsibilities are largely distributed downwards in the corporate structure. This selected governance model enables greater flexibility in the organization, as the affected parties are closer to the operations and can thus make more tailored and relevant decisions. Each company has its own management team and Board, which acts mostly autonomously, within the framework of predetermined routines and instructions.

Shareholders

Knowit's share is listed on Nasdaq Stockholm. At the end of 2022, the share capital was SEK 27.4 million. divided over 27,408,600 shares with a quota value of SEK 1. There is one type of share in Knowit. The number of shareholders was 12,843. The proportion of foreign shareholders was 41 percent. At year-end, 57 percent of the shares were owned by financial, institutional shareholders. The ten largest shareholders had 53 percent of the votes. As of December 31, 2022, Formica Capital AB was the Company's largest shareholder, with holdings corresponding to 12.37 percent. There is no other shareholder in the Company who directly or indirectly holds shares and votes representing a tenth or more of the votes for all shares in the Company. For further information on Knowit's share and the ownership structure, see the section on the share, pages 16-17.

General Meeting

The highest decision-making body is the General Meeting (GM), and it is here that shareholders can exercise their influence on the Company. The GM shall be held within six months of the end of the financial year. All shareholders that are registered in the share register, and have given notice of their participation in due time, have the right to participate at the GM. Shareholders can vote for the total number of shares they hold and may be accompanied by two advisors. Shareholders that cannot participate may be represented by a proxy.

The GM covers matters including election of the Board, election of an auditor, if necessary, dividend, adoption of income statement and balance sheet, and discharge of liability for the Board Members and the CEO. Shareholders have the right to have matters raised at the GM if an appropriate notification has been made to the Company in due time before notice to the GM is sent out.

Information, including the notice and proposals for the annual general meeting (AGM), as well as minutes from previous AGMs are available on Knowit's website, knowit.eu.

The AGM 2022 was held on May 2, 2022, in accordance with Articles 20 and 22 in the Act (2020:198) on Temporary Exceptions to Facilitate Execution of General Meetings in Companies and Other Associations, meaning that participation at the AGM could only take place through postal voting. This was done as a result of the COVID-19 pandemic, to facilitate for shareholders to vote without participating physically. A total of 106 shareholders who were entitled to vote participated at Knowit's AGM 2022. They represented 15,663,995 shares or 57 percent of the capital and votes. At the AGM, the shareholders decided, among other things, that dividends of SEK 7 per share would be paid out, totaling SEK 192 million, and that the proposed guidelines for remuneration to leading executives be adopted. Further, the AGM decided to authorize the Board to decide on one or more new share issues of at most ten percent of the total number of outstanding shares in the Company as per the day that the notice of the AGM was published, under certain circumstances. For more information, see the minutes from the AGM 2022 on Knowit's website, knowit.eu.

The AGM 2023 will take place on May 3, 2023 at 5 PM in the Company's offices at Sveavägen 20, Stockholm. Information regarding the AGM is published on the website, www.knowit.eu.

Nomination committee

In accordance with the instruction to the nomination committee, the nomination committee shall consist of one representative from each of Knowit's three largest registered shareholders on September 30, if they wish to participate, and the Chairman of the Board, who shall convene the committee to its first meeting.

The nomination committee for the AGM 2022 consisted of Malin Björkmo, Handelsbankens fonder, Karin Dennford, JCE Group, Teresa Enander, Formica Capital and Chairman of the nomination committee, and Jon Risfelt, Chairman of the Board of Knowit AB.

The nomination committee for the AGM 2023 was announced on Knowit's website and published in a press release on October 12, 2022. The nomination committee consists of Claes Murander, Lannebo fonder, Karin Dennford, JCE Group, Teresa Enander, Formica Capital, Chairman of the nomination committee, and Jon Risfelt, Chairman of the Board of Knowit AB. The nomination commit-

CORPORATE GOVERNANCE REPORT

tee represents around 25 percent of the shares in the Company.

The duties of the nomination committee are to propose, during the AGM, 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. Shareholders who want to make proposals to the nomination committee can do so by email to valberedning@knowit.se.

No fees have been paid to the members of the nomination committee for their work.

Board of Directors

During 2022, the Board consisted of Jon Risfelt (Chairman), Camilla Monefeldt Kirstein, Gunilla Asker, Stefan Gardefjord, Kia Orback Pettersson, Peder Ramel, Olof Cato, and Sofia Karlsson. All members were re-elected at the AGM 2022, except Gunilla Asker and Peder Ramel, who declined reelection. According to Knowit's Articles of Association, the Board of Directors shall consist of at least three and at most eight members, elected each year at the AGM to serve until the end of the next AGM. There is no rule on the maximum time a Director may serve on the Board.

Under the Swedish Code of Corporate Governance, which Knowit observes, the Board should, given its operations, developmental stage and other conditions, have a suitable composition, characterized by diversity and breadth regarding the competence, experience and background of the elected members. Under the Code, the Company should strive for an even gender distribution.

The composition of the Board	Year of election	Indepen- dence relative to the Company	Indepen- dence relative to sharehol- ders	Remune- ration committee meetings ¹⁾	Audit committee meetings 2)	Board meetings ³⁾
Jon Risfelt	2013	Yes	Yes	4/4	7/7	14/14
Camilla Monefeldt Kirstein	2014	Yes	Yes	4/4	_	12/14
Gunilla Asker	2018	Yes	Yes	-	-	2/3
Stefan Gardefjord	2018	Yes	Yes	-	3/4	13/14
Kia Orback Pettersson	2018	Yes	Yes	-	7/7	14/14
Peder Ramel	2018	Yes	Yes	-	3/3	3/3
Olof Cato	2021	Yes	No	2/2	-	14/14
Sofia Karlsson	2021	Yes	Yes	-	-	14/14

1) In total, the Remuneration committee held four meetings during the

year, of which two occurred before the AGM and two after the AGM.
 In total, the Audit committee held seven meetings during the year, of which three occurred before the AGM and four after the AGM.

3) In total, the Board held 14 meetings during the year, of which three occurred before the AGM and eleven after the AGM.

More information on the Board and management can be found on pages 54-55 of this Annual Report.

Board work

During the financial year, the Board convened 14 meetings at which the minutes were recorded: six ordinary meetings, one inaugural meeting, one for approval of the Annual Report and documents for the AGM, and six extraordinary Board meetings. The Board meetings have had a regular structure with a predetermined main agenda. An important theme during the year, which characterized the Board's work, pertained to company acquisitions. Other matters that were discussed by the Board included valuation, strategic rationale, and integration of acquisitions made. In connection with this, the Board has had financing matters high up on the agenda on several occasions.

At its ordinary meetings, the Board discussed the fixed items on the agenda in compliance with its plan for the year and rules of procedure, such as business conditions, orders, forecasts, financial outcomes, liquidity, annual accounts and interim reports. Further, general questions regarding strategic orientation, structure, and the Group's risk-related and sustainability efforts, have also been dealt with. In addition to the above meetings, one special meeting was held to address the Company's operational planning and a review of mission, vision, business concept and strategies. In connection with this, the Board also discussed the Group's financial targets, development and goal steering at a deeper level.

Prior to Board meetings, the Directors received written materials regarding the issues to be discussed. Part of this material was the CEO's written report on operations. The Board received this material digitally, which enabled for efficient and, most importantly, secure communication.

The CEO and the CFO of Knowit took part in Board Meetings to submit reports. During 2022, the Group's head of legal served as secretary for the Board. When necessary, other officials presented reports for the Board. These officials were then present during the discussion of the matters they presented reports on.

The Board decided on written rules of procedure for its own work as well as CEO instructions including reporting instructions for the CEO and President. The rules of procedure determine the work that is required over and above the Companies Act and Articles of Association.

The Chairman's role

The Chairman organizes and manages the Board's work so that it is conducted in accordance with the Swedish Companies Act, other legal acts and regulations, current regulations for listed companies (including the Code) and the Board's internal governing documents. The Chairman monitors operations through continuous contact with the CEO and is in charge of the other Board Members. The Chairman ensures that the Board's and CEO's work is evaluated annually and that the Nomination Committee is informed about the results of the evaluation. The Chairman represents the Company in ownership matters.

Evaluation of the Board's work

The Chairman of the Board evaluates the Board's work in connection with each ordinary meeting. Once a year, the Chairman of the Board initiates a more comprehensive supplementary and focused evaluation of the Board's work, in conversations with the Board in full and individual conversations with each of the Members. The questions relate to internal climate, breadth of knowledge, and how Board work is carried out. The purpose is to find out how the Directors perceive that the Board is run and what actions can be taken to make the Board's work more efficient. The results are presented to the Board and the nomination committee by the Chairman.

The Board continuously evaluates the work of the CEO in a similar manner.

CORPORATE GOVERNANCE REPORT

Remuneration and remuneration committee

Remuneration to the Board of Directors is determined for the next year during the AGM.

In accordance with the Swedish Code of Corporate Governance, the Board has established a remuneration committee, consisting of Jon Risfelt (chairman) and Camilla Monefeldt Kirstein and, as of the AGM 2022, Olof Cato. The committee has both a consultatory (followup and evaluation) and a preparatory function ahead of discussions and decisions in Knowit's Board. The Remuneration committee has a delegated decision-making mandate to manage annual adjustments of salaries and any current variable incentive systems. The committee has met four times during the year, as well has having a series of informal interactions, to discuss remuneration, incentives, as well as employment conditions for the corporate management team. Beyond this, the focus during the year has been general incentive matters, employee satisfaction, and recruitment matters. Further, an overview of a possible long-term incentive program was initiated. A long-term share-based incentive program is proposed to the AGM 2023. Further, the committee has reviewed the Remuneration report published ahead of the AGM.

The committee and Board propose that the guidelines on remuneration to executives shall, in accordance with the rules adopted at the AGM 2020, include a basic salary, a variable performance remuneration, and pension and other benefits. The total remuneration package shall be market-based and competitive, reflecting the employee's area of responsibility and the complexity of the position.

Audit committee and external auditing

The Board has instated an audit committee, which consists of Kia Orback Pettersson (chairman), Jon Risfelt, and Peder Ramel up to the AGM 2022, and Stefan Gardefjord as of the AGM 2022. The committee has both a consultatory (follow-up and evaluation) and a preparatory function ahead of discussions and decisions in Knowit's Board. The Audit committee has held seven meetings during the year and has discussed, among other things, internal governance and review, the auditors' review and reporting, internal financial reporting, depreciation tests of goodwill, valuation of shares in subsidiaries, the status of implementation of a new economy system, and made an inventory of company risks. At four of the meetings, the committee has discussed the interim reports, for further discussion at Board meetings. The committee has also assisted the Company's nomination committee with drafting a suggestion for the AGM's decision on electing an auditor.

During the year, the committee has focused in particular on internal control, policies, and guidelines. New policies and updated instructions to the CEO and Board have been drafted by the management team and approved by the committee and, where necessary, the Board at the inaugural Board meeting. The focus during this year has been on internal control within the Group. The decentralized governance model used by the Group requires clear rules and guidelines to facilitate governance of the subsidiaries. These matters were accentuated during the year, as the Group has increased significantly in size and complexity over the past few years.

An auditor is elected by the GM, for a term running up until the end of the GM during the financial year after the election. The auditor is assigned to review Knowit's Annual Report, accounting records and the administration performed by the Board and CEO. The auditor delivers a report to the AGM. Shareholders have the opportunity to ask the auditor questions during the GM.

The AGM 2022 elected the accounting firm KPMG AB as auditor until the end of the AGM 2023. The auditor-incharge is Helena Arvidsson Älgne. KPMG AB has conducted the audit of Knowit AB and its subsidiaries.

During the year, the auditors have, in addition to reviewing the Company's books, performed brief audits of the Company's third Interim Report. The auditors have participated at all seven of the Audit committee's meetings. On three occasions, they presented reports on significant observations – in connection with the third Interim Report, in connection with finalization of the administrative audit, and in connection with the year-end report. Following the review of the Annual Report, the auditors present an audit report.

The auditors' written report was distributed to the entire Board and the chairman of the Audit committee presented the most significant parts from the report.

Internal control and risk assessment regarding financial reporting

The Board is responsible for ensuring the Company's internal control and review and that financial reporting follows the legislation and rules applicable to companies traded on NASDAQ Stockholm. In addition, there are internal instructions, routines, systems and a system for delegating roles and responsibility, to ensure good internal control.

Control environment

Knowit's operations are organized in independent subsidiaries. Each subsidiary appoints a board, with a chairman in charge of the Company's governance, development and management. The CEO of the subsidiary is responsible for ensuring that day-to-day operations and operative management are in line with group-wide policies, the articles of association, instructions to the board, and applicable legislation. The subsidiaries are grouped into four business areas, with one head for each business area, who is usually the chairman or a board member in the associated subsidiaries. The heads of the business areas govern and develop the subsidiaries in their business area, in some cases with the help of a management team for the business area. Decision-making in the organization is, thanks to the decentralized governance model, often close to operations and decisions can thus be made quickly and by the most relevant people. The decentralized model thus also places demands on the management teams and boards of subsidiaries. Each subsidiary's board is responsible for ensuring that the company in question complies with laws and regulations and with internal policy documents and guidelines.

The heads of the business areas are part of Knowit's corporate management team. Knowit's decentralized organization, with many subsidiaries, entails demanding requirements on the boards and management teams of the subsidiaries, as well as their competence, common values and ethics. Further, this requires understanding and respect for delegation of roles. This also requires that the division of responsibility within and between the corporate management team, the management team of the business area, and the management teams and

CORPORATE GOVERNANCE REPORT

boards of the subsidiaries is well-defined and that the communication between all these units works well, as the internal control is strongly connected to each subsidiary.

Rules of procedure and authorization instructions for subsidiary boards and CEO instructions for subsidiaries are reviewed and determined at the inaugural meeting in each subsidiary. Instructions on governing documents, accounting principles, guidelines and routines are regularly distributed to affected employees.

The authorization instructions in Knowit AB and all its subsidiaries regulate the decision process for important contracts, larger investments and other significant decisions, thus becoming an important part of the Group's control environment.

Risk management

Knowit's operations are affected by a number of risk factors that cannot be fully controlled by the Company. The Board and management team work with risk assessment and risk management of these factors continuously. Each year, the corporate management team of Knowit performs a risk review, where significant risks to both the Group as a whole and its companies are discussed. Risks are identified and evaluated based on likelihood and consequences. The review has a broad approach, where relevant strategic, operational, financial, legal and sustainabilityrelated risks are included. A summary of the work is presented and discussed annually in the Audit committee and the Board. With this material as a basis, the Company's management can identify the need for expansion or development in some areas and identify areas that need to be reinforced or that require centralized increased focus. The continuous work, combined with the annual reviews, also results in an assessment of the need for any additional targeted efforts and serves as decision support for later audit prioritizations.

For a detailed description of the financial and sharerelated risks, please refer to Note 2 in the Annual Report.

The Board is responsible for identifying and managing significant financial risks and risks of errors in the financial reports. The focus is on significant income and balance items, transactions with high complexity and/or where the effects of any errors could be significant. The decentralized governance model places a large responsibility on each individual subsidiary, to ensure that risk management is at an acceptable level. The risks in each subsidiary are to be identified and discussed at an appropriate level in the organization, in a company-specific process. Knowit's CFO annually reviews the Company's minimum requirements for internal control and routines for financial reporting. These minimum requirements serve to prevent, uncover and correct errors and deviations in the financial reporting. Reviews include, i.a., approval of significant agreements, follow-up of risk exposure, checking account balances and analyzing results. The Board annually reviews the work done and is informed of any deviations or observations made.

Information and communication

Financial reporting is governed by Knowit's financial manual, which is updated annually. Financial managers within the Group meet regularly to discuss matters related to financial reporting.

The Group's financial position is discussed at each Board meeting and the Board gets extensive reports from the CEO on a monthly basis, regarding the financial position and development of operations.

Follow-up

The subsidiaries' observance of Knowit's minimum requirements of internal review and processes for financial reporting is monitored continuously by the CFO and/or the head of group accounting during visits to subsidiaries. The subsidiaries are selected based on particular needs and timed depending on internal reviews already performed. Observations made through internal control are reported to the Audit committee.

The Group's subsidiaries report income and balance sheets in a monthly basis, as well as relevant key figures. The monthly reports of the subsidiaries and the consolidated monthly report of the Group are analyzed by the corporate management team.

Internal audit

Given the Group's size, structure, and character of operations, the Board has not assessed it as relevant to instate a special function for internal audit.

Information

The Company's information releases follow the information policy for the Knowit Group established by the Board. The policy states what should be communicated, by whom and in what manner – to ensure that both external and internal information is correct and complete.

Knowit provides information to shareholders and other stakeholders through published press releases, interim and year-end reports, the Annual Report and the Company's website (www.knowit.se). The press releases, financial reports and presentation materials for the past few years are all published on the website, along with information on corporate governance. Interim reports, annual reports and press releases are translated into English and published on the Company website.

The Corporate Management Team

The CEO appoints a Corporate Management Team. During 2022, the Corporate Management Team has consisted of the Group's CEO, the CFO, the Head of Communications, the Head of Business Support, the Head of People & Culture and the Head of Corporate Sales & Partnerships. In addition to these functions, the heads of the business areas Solutions, Experience, Connectivity, and Insight are also represented in the corporate management team.

The Corporate Management Team meets every fourteenth day, on average, but also works very closely, with nearly daily contact. During the year, matters of an operative and strategic matter have been managed continually. When necessary, larger meetings have been held where senior executives from Knowit's subsidiaries and the heads of the departments for administration, IT, and communication have also participated.

Information on the CEO and Corporate Management Team can be found on page 55 in the Annual Report.

Financial statements Multi-year review

SEK M Net sales and profit 2022 2021 2020 2019 2018 Net sales 6,833.7 4,811.8 3,379.1 3,335.1 3,083.3 Operating profit before amortization of intangible assets (EBITA) 596.5 438.5 335.0 319.2 315.1 483.7 370.1 331.9 313.2 303.6 Profit after financial items Sales growth, % 42.0 42.4 1.3 8.2 12.8 9.1 EBITA margin, % 8.7 9.9 9.6 10.2 Profit margin, % 7.7 9.8 7.1 9.4 9.8 **Capital structure** 2022-12-31 2021-12-31 2020-12-31 2019-12-31 2018-12-31 4,629.7 3,839.5 1,380.7 Intangible assets 983.4 963.0 Other fixed assets 841.7 404.5 265.4 245.9 51.0 1,414.5 996.9 2,134.2 2,091.4 908.6 Current assets TOTAL ASSETS 7,605.6 6.335.4 3.060.6 2.226.2 1,922.6 Equity attributable to shareholders of the Parent Company 3,884.6 1,225.1 4.186.5 1.530.8 1,091.4 Non-controlling interests 21.2 7.7 14.2 16.0 14.9 TOTAL EQUITY 1,545.0 1,106.3 4.207.7 3.892.4 1.241.1 1,303.3 286.3 326.7 164.4 79.5 Interest-bearing long-term liabilities Other long-term liabilities 276.5 229.9 89.4 50.7 45.0 291.4 606.6 277.6 105.8 26.8 Interest-bearing current liabilities 664.2 Other current liabilities 1,526.7 1,320.2 821.8 665.0 TOTAL EQUITY AND LIABILITIES 7.605.6 6.335.4 3.060.6 2.226.2 1,922.6 Equity/assets ratio, % 55.3 61.4 50.5 55.7 57.5 4.1 7.1 Investments in intangible assets 10.1 8.0 6.1 8.0 3.8 7.9 6.1 Investments in property, plant and equipment 63.3 Cash flow from operating activities 475.3 462.8 441.3 305.0 274.1 -1,097.1 -41.5 71.3 88.3 Net cash and cash equivalents 82 Capital employed 5,802.4 4,785.3 2,149.3 1,511.3 1,212.6 Acid test ratio, multiple 1.3 1.3 1.3 1.2 1.1 Net debt/equity ratio, multiple 0.3 0.0 0.0 0.0 -0.1 Profitability 2021 2020 2019 2022 2018 Return on total capital, % 7.8 8.2 12.8 15.8 16.7 10.8 Return on equity, % 9.7 18.5 20.6 22.5 Return on capital employed, % 10.2 11.1 18.4 24.1 26.8 Employees 2022 2021 2020 2019 2018 3,877 2,980 2,214 2,213 2,032 Average number of employees Net sales per employee 1.8 1.6 1.5 1.5 1.5 Value-added per employee 1.1 1.1 1.1 1.1 1.1 Profit after financial net per employee 0.1 0.1 0.1 0.1 0.1 Number of employees at year-end 4,410 3,849 2,578 2,337 2,260

Definitions of key figures can be found on page 110.

FINANCIAL STATEMENTS

Consolidated income statement

SEK 000s	Note	2022	2021
Net sales	3,4,5	6,833,746	4,811,839
TOTAL OPERATING INCOME		6,833,746	4,811,839
Operating expenses			
Purchased goods and services		-1,699,746	-987,377
Other external costs	7	-425,250	-299,714
Personnel costs	8,9	-3,963,482	-2,963,271
Depreciation/amortization and impairment			
Intangible assets	10	-149,331	-75,247
Property, plant and equipment	11	-148,793	-123,572
Profit from participations in associated companies	12	_	635
TOTAL OPERATING EXPENSES		-6,386,602	-4,448,546
OPERATING RESULT		447,144	363,293
Result from financial items	13		
Financial income		94,963	20,607
Financial expenses		-58,431	-13,770
RESULT AFTER FINANCIAL ITEMS		483,676	370,130
Income taxes	14	-91,489	-75,318
PROFIT FOR THE YEAR		392,187	294,812
Profit for the year attributable to shareholders of the Parent Company		385,020	290,478
Profit for the year attributable to non-controlling interests		7,167	4,334
Earnings per share	28		
Earnings per share, before dilution, SEK		14.05	12.26
Earnings per share, diluted, SEK		14.05	12.26

Consolidated statement of comprehensive income

SEK 000s	2022	2021
Profit for the year	392,187	294,812
Items that may be reclassified subsequently to profit or loss		
Result from hedging of currency risks in foreign currency	51,413	5,103
Tax effect, hedging of currency risks	-10,591	-1,324
Translation differences in foreign operations	103,758	54,346
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		58,125
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		352,937
Total comprehensive income attributable to shareholders in Parent Company	529,202	348,561
Total comprehensive income attributable to non-controlling interests	7,565	4,376

FINANCIAL STATEMENTS Consolidated balance sheet

SEK 000s	Note	2022-12-31	2021-12-31	SEK 000s N	ote	2022-12-31	2021-12-31
ASSETS				EQUITY AND LIABILITIES			
Non-current assets				Equity 20,3	33		
				Share capital		27,409	27,409
Intangible assets	10			Other capital provided		2,848,401	2,848,401
Goodwill		3,754,554	3,120,541	Reserves		127,668	-16,514
Other intangible assets		875,146	718,979	Retained earnings			
Property, plant and equipment	11			including profit for the year	_	1,182,972	1,025,343
Equipment		79,114	33,867	TO SHAREHOLDERS OF THE PARENT COMPANY		4,186,450	3,884,639
Right-of-use assets	32	644,737	256,843	Non-controlling interests	_	21,180	7,732
Financial non-current assets				TOTAL EQUITY	-	4,207,630	3,892,371
Holdings in associated companies	12	-	_		21	4,207,030	3,032,371
Other long-term receivables	16	8,786	5,775	Interest-bearing			
Other long-term securities		2,570	11,253		23	1,303,307	286,306
Deferred tax assets	14	106,457	96,763	Deferred tax liabilities	14	271,287	225,779
TOTAL NON-CURRENT ASSETS		5,471,364	4,244,021	Non-current provisions		5,186	4,135
Current assets		0,471,004	4,244,021	TOTAL NON-CURRENT LIABILITIES		1,579,780	516,220
Current receivables				Current liabilities			
Accounts receivable	17	1,330,590	1,066,593	Interest-bearing	-		
Other receivables		158,387	99,568		23	291,427	606,633
Prepaid expenses and				Accounts payable		400,226	325,318
accrued income	18	147,561	73,833	Current tax liabilities		109,119	150,441
TOTAL CURRENT RECEIVABLES		1,636,538	1,239,994	Other liabilities	24	379,323	293,575
Cash and cash equivalents		497,651	851,381	Accrued expenses and deferred income	25	638,047	550,838
TOTAL CURRENT ASSETS		2,134,189	2,091,375	TOTAL CURRENT LIABILITIES		1,818,142	1,926,805
TOTAL ASSETS		7,605,553	6,335,396	TOTAL EQUITY AND LIABILITIES		7,605,552	6,335,396

Consolidated cash flow statement

SEK 000s	Note	2022	2021
Operating activities			
Profit before taxes		483,676	370,130
Adjustment for non-cash items			
Depreciation/amortization and impairment	10,11	298,124	198,819
Capital gain from divestment of company		-64,233	-903
Change in provisions		1,044	-1,971
Share of profit associated companies	12	-	-635
Change in interest-bearing liabilities through income statement		-7,116	-10,141
Unrealized exchange rate differences		17,262	21,670
Paid taxes		-195,102	-64,360
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		533,655	512,609
Changes in working capital			
Change in operating receivables		-173,258	-27,928
Change in operating liabilities		114,949	-21,901
CHANGES IN WORKING CAPITAL		-58,309	-49,829
CASH FLOW FROM OPERATING ACTIVITIES		475,346	462,780
Investing activities			
Acquisition of businesses	31	-752,892	-403,972
Divestment of businesses		_	509
Acquisition of intangible assets	10	-10,121	-4,138
Acquisition of property, plant and equipment	11	-63,309	-7,975
Divestment of financial assets		75,398	3,637
CASH FLOW FROM INVESTING ACTIVITIES		-750,924	-411,939
Financing activities			
New share issue		-	492,500
Amortization of loans		-228,826	-813,895
Loans raised		344,675	600,000
Capital contribution received, non-controlling interests		150	10
Dividend paid		-204,087	-151,998
CASH FLOW FROM FINANCING ACTIVITIES		-88,088	126,617
Cash flow for the year		-363,666	177,458
Cash and cash equivalents, January 1		851,381	675,555
Translation differences in cash and cash equivalents		9,936	-1,633
CASH AND CASH EQUIVALENTS, DECEMBER 31		497,651	851,381

FINANCIAL STATEMENTS

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Consolidated statement of changes in equity

	ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY						
SEK 000s	Share capital	Other capital provided	Reserves	Retained earnings	Total	Non- controlling interest	Total equity
Opening balance, JAN 1, 2021	19,652	706,757	-74,596	878,990	1,530,803	14,211	1,545,014
PROFIT FOR THE YEAR RECOGNIZED IN THE INCOME	10,002		. 4,000		1,000,000	,	1,040,014
STATEMENT				290,478	290,478	4,334	294,812
Other comprehensive income							
Result from hedging of currency risk in foreign currency			5,103		5,103		5,103
Tax effect, hedging of currency risk			-1,324		-1,324		-1,324
Translation differences			54,303		54,303	42	54,346
TOTAL OTHER COMPREHENSIVE INCOME			58,082		58,082	42	58,125
TOTAL COMPREHENSIVE INCOME			58,082	290,478	348,561	4,376	352,937
Transactions with shareholders							
Dividend paid				-142,772	-142,772	-9,226	-151,998
Change in liabilities, acquisition of non-controlling interest ¹⁾				1,472	1,472		1,472
New share issue, company acquisition ²⁾	7,757	2,141,644			2,149,401		2,149,401
Non-controlling interest 3)				-2,825	-2,825	-1,630	-4,455
TOTAL TRANSACTIONS WITH SHAREHOLDERS	7,757	2,141,644		-144,125	2,005,276	-10,856	1,994,420
EQUITY, DEC 31, 2021	27,409	2,848,401	-16,514	1,025,343	3,884,639	7,732	3,892,371
Opening balance, JAN 1, 2022	27,409	2,848,401	-16,514	1,025,343	3,884,639	7,732	3,892,371
PROFIT FOR THE YEAR RECOGNIZED IN THE INCOME STATEMENT				385,020	385,020	7,167	392,187
Other comprehensive income							
Result from hedging of currency risk in foreign currency			51,413		51,413		51,413
Tax effect, hedging of currency risk			-10,591		-10,591		-10,591
Translation differences			103,360		103,360	398	103,758
TOTAL OTHER COMPREHENSIVE INCOME			144,182		144,182	398	144,580
TOTAL COMPREHENSIVE INCOME			144,182	385,020	529,202	7,565	536,767
Transactions with shareholders							
Dividend paid				-192,670	-192,670	-11,417	-204,087
Change in liabilities, acquisition of non-controlling interest ¹⁾				-28,405	-28,405		-28,405
New share issue, company acquisition						4,647	4,647
Non-controlling interest				-6,316	-6,316	12,653	6,337
Non-controlling interest TOTAL TRANSACTIONS WITH SHAREHOLDERS				-6,316 -227,391	-6,316 -227,391	12,653 5,883	6,337 -221,508

Pertains to altered assessment of future agreed consideration.
 Transaction costs amounted to SEK 7.5 million.
 Pertains to change in non-controlling interest connected to new share issue.

FINANCIAL STATEMENTS

Income statement Parent Company

SEK 000s	Note	2022	2021
Net sales	3,6	730,851	566,919
Work performed by the Company for its own use and capitalized		_	2,308
TOTAL OPERATING INCOME		730,851	569,227
Operating expenses	6		
Purchased goods and services		-615,458	-511,085
Other external costs	7	-160,056	-88,769
Personnel costs	8,9	-87,582	-72,437
Amortization/depreciation of			
intangible assets	10	-5,384	-4,752
property, plant and equipment	11	-2,343	-1,236
TOTAL OPERATING EXPENSES		-870,823	-678,279
OPERATING LOSS		-139,972	-109,052
Result from financial items	13		
Result from shares in Group companies		704,142	200,999
Interest income and similar profit/loss items		110,168	30,400
Interest expenses and similar profit/loss items		-90,249	-21,877
RESULT AFTER FINANCIAL ITEMS		584,089	100,470
Appropriations	30	-31,610	-12,278
Income taxes	14	-31,224	-16,608
RESULT FOR THE YEAR		521,255	71,584

Statement of comprehensive income Parent Company

SEK 000s	2022	2021
Result for the year	521,255	71,584
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAXES	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	521,255	71,584

FINANCIAL STATEMENTS \rightarrow **Balance sheet Parent Company**

SEK 000s	Note	2022-12-31	2021-12-31	SEK 000s	Note	2022-12-31	2021-12-31
ASSETS				EQUITY AND LIABILITIES			
Non-current assets				Equity	20,33		
Intangible assets	10			Restricted equity			
Goodwill		17	_	Share capital		27,409	27,409
Other intangible assets		10,000	15,335	Statutory reserve		68,038	68,038
Property, plant				Fund for development costs		-	443
and equipment	11			TOTAL RESTRICTED EQUITY		95,447	95,890
Equipment		22,681	1,403	Non-restricted equity			
Financial non-current assets				Share premium reserve		2,725,103	2,725,103
Shares in Group companies	15	4,413,714	4,143,750	Retained earnings		-359,998	-240,165
Deferred tax assets		2,574	1,670	Result for the year		521,255	71,584
Non-current receivables from Group companies		1,088,295	735,949	TOTAL NON-RESTRICTED EQUITY		2,886,360	2,556,522
Other non-current receivables		9,424	6,677	TOTAL EQUITY		2,981,807	2,652,412
TOTAL NON-CURRENT ASSETS	3	5,546,705	4,904,784	Untaxed reserves	30	159,585	127,975
Current assets							
Current receivables				Non-current liabilities	21	1,438,300	759,296
Accounts receivable		106,569	97,702	Non-current provisions	21	84,116	133,270
Receivables from Group companies		295,698	3,987	Current liabilities			
Tax claims		-	4,552	Interest-bearing current			500 404
Other receivables		9,055	3,907	liabilities		18,524	508,404
Prepaid expenses and accrued income	18	29,624	15,382	Accounts payable Liabilities to			14,072
TOTAL CURRENT RECEIVABLES		440,946	125,530	Group companies Current tax liabilities		1,527,292	1,506,163
			·	Other liabilities	24	69,139	2,553
Cash and bank balances		329,284	699,226	Advance payments	2-1	00,100	2,000
TOTAL CURRENT ASSETS		770,230	824,756	from clients	25	111	578
				Accrued expenses			
TOTAL ASSETS		6,316,935	5,729,540	and deferred income	25	25,067	24,817

6,316,935 5,729,540 LIABILITIES

ightarrow FINANCIAL STATEMENTS

Cash flow statement Parent Company

SEK 000s Note	2022	2021
Operating activities		
Profit after financial items	584,089	100,470
Adjustment for non-cash items		
Depreciation and amortization 10,11	7,728	5,988
Group contributions received 13	-299,860	-192,050
Change in provisions 21	-49,154	-39,607
Result from disposal of equipment 11	-2	9
Result from divestment of company	-	2,007
Exchange profit/loss 13	-36,806	-10,678
Paid taxes	-14,635	-13,387
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	191,360	-147,248
Changes in working capital		
Change in operating receivables	-22,984	-275,989
Change in operating liabilities	-302,597	582,921
CHANGES IN WORKING CAPITAL	-325,581	306,932
CASH FLOW FROM OPERATING ACTIVITIES	-134,221	159,684
Investing activities		
Acquisition of shares in Group companies	-313,867	-705,222
Divestment of shares in Group companies	49,020	-
Acquisition of intangible assets 10	-69	-2,309
Acquisition of property, plant and equipment 11	-23,671	-199
Divestment of property, plant and equipment 11	51	-
CASH FLOW FROM INVESTING ACTIVITIES	-288,536	-707,730
Financing activities		
Financing activities New share issue	-	492,500
	-100,000	492,500
New share issue		,
New share issue Amortization of loans	-100,000	-300,000
New share issue Amortization of loans Loans raised	-100,000 344,675	-300,000 600,000
New share issue Amortization of loans Loans raised Dividend paid	-100,000 344,675 -191,860	-300,000 600,000 -139,034
New share issue Amortization of loans Loans raised Dividend paid CASH FLOW FROM FINANCING ACTIVITIES	-100,000 344,675 -191,860 52,815	-300,000 600,000 -139,034 653,466

Statement of changes in equity Parent Company

	RESTRICTED EQUITY NON-RESTRICTED EQUIT			TED EQUITY		
SEK 000s	Share capital	Statutory reserve	Fund for development costs	Share premium reserve	Accumulated profit or loss	Total equity
Opening balance, JAN 1, 2021	19,652	68,038	5,194	586,256	-105,882	573,258
RESULT FOR THE YEAR					71,584	71,584
Dissolution of fund for development costs			-4,752		4,752	
Other comprehensive income						
TOTAL OTHER COMPREHENSIVE INCOME						
TOTAL COMPREHENSIVE INCOME			-4,752		76,336	71,584
Transactions with Company shareholders						
New share issue, company acquisition	7,757			2,138,847		2,146,604
Dividend paid					-139,035	-139,035
TOTAL TRANSACTIONS WITH COMPANY SHAREHOLDERS	7,757			2,138,847	-139,035	2,007,569
EQUITY, DEC 31, 2021	27,409	68,038	443	2,725,103	-168,581	2,652,412
Opening balance, JAN 1, 2022	27,409	68,038	443	2,725,103	-168,581	2,652,412
RESULT FOR THE YEAR					521,255	521,255
Dissolution of fund for development costs			-443		443	
Other comprehensive income						
TOTAL OTHER COMPREHENSIVE INCOME						
TOTAL COMPREHENSIVE INCOME			-443		521,698	521,255
Transactions with Company shareholders						
New share issue, company acquisition						
Dividend paid					-191,860	-191,860
TOTAL TRANSACTIONS WITH COMPANY SHAREHOLDERS					-191,860	-191,860
EQUITY, DEC 31, 2022	27,409	68,038	-	2,725,103	161,257	2,981,807

Supplementary information and notes

NOTE 1: Accounting and valuation principles

General information

Knowit AB (publ.) with the company registration number 556391-0354, is a limited liability company headquartered in Region Stockholm, Stockholm municipality, Sweden. The Company's address is Sveavägen 20, 111 57 Stockholm. Knowit are digitalization consultants and make the digital business models of the future a reality. Deliveries come from four business areas: Solutions, Experience, Connectivity, and Insight. Advertising and marketing converge with IT and business models develop and grow with the help of new technology.

This annual and consolidated report was approved for publication by the Board on April 6, 2023. The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet are subject to approval by the Annual General Meeting on May 3, 2023.

Compliance with standards and laws

The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's supplementary accounting rules for groups RFR 1, International Financial Reporting Standards (IFRS) and interpretations from IFRIC as adopted by the EU.

The Parent Company has prepared the Annual Report in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR2, Reporting by Legal Entities. The Parent Company applies the same accounting principles as the Group, except in the cases specified in the section "Parent Company's accounting principles." Deviations are due to limitations in the possibility of applying IFRS to the Parent Company, following from the Swedish Annual Accounts Act and the Pension Obligations Vesting Act and in some cases tax reasons.

These principles have been applied continuously for all reported years, unless otherwise stated.

Valuation grounds applied

The consolidated accounts have been prepared based on the cost method, except as regards revaluation of financial assets held for sale, financial assets and liabilities (including derivative instruments) valued at fair value through profit and loss.

Changes to accounting principles and disclosures

NEW AND REVISED ACCOUNTING PRINCIPLES APPLICABLE IN 2022

No new accounting principles with a significant impact on the Group's accounting have been applied from January 1, 2022.

NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED BY THE GROUP

New and revised IFRS to be applied in the future are not expected to have any significant impact on the Group's financial reports.

Principles of consolidation

All companies over which the Group has a controlling influence are consolidated as subsidiaries. The Group has controlling influence over a company when it is exposed to or has a right to variable returns from its ownership in the company and can affect the returns through its controlling influence. The consolidated accounts include group companies where the Group directly or indirectly exerts controlling influence, either through ownership or contracts. Group companies are fully consolidated from the date on which controlling influence is transferred to the Group. They are deconsolidated from the date that controlling influence ceases.

The acquisition method is used to report acquisitions of group companies (see "Acquisitions" on page 78).

Transactions and balance sheet items within the Group as well as unrealized profit and loss on transactions between group companies are eliminated. Accounting principles in subsidiaries have in some cases been adapted, to guarantee a consistent application of group principles.

Non-controlling interests in the group companies' profit and equity are reported separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, and consolidated statement of changes in equity.

CHANGES IN OWNERSHIP IN GROUP COMPANIES WITHOUT CONTROLLING INTERESTS

The Group treats transactions with non-controlling interests in the same way as transactions with Group shareholders. These transactions are reported in equity as long as control is retained and controlling interest has not ceased. Upon acquisition of non-controlling interests' shares, the difference between the consideration paid and the acquired share of the carrying value of the subsidiary's net assets is recognized in equity. Profit or loss arising at disposal to non-controlling interests is also recognized in equity.

NOTE 1: continued

Translation of foreign currency FUNCTIONAL CURRENCY AND REPORTING CURRENCY

Items included in the financial reports of the various units of the Group are valued in the currency used in the economic environment in which each company principally operates (functional currency).

In the consolidated accounts, Swedish kronor is used, which is the Parent Company's functional and reporting currency. All amounts are in thousand Swedish kronor (KSEK), unless otherwise stated. Rounding differences may occur.

TRANSACTIONS AND BALANCE SHEET ITEMS

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction date. Exchange rate gains and losses arising through the payment of such transactions and on the translation of monetary assets and liabilities in foreign currencies at the closing day rate are recognized through profit or loss. The exception is where the transactions represent hedges that meet the requirements for hedge accounting of cash flows or net investments, where gains and losses are recognized as other comprehensive income.

TRANSLATION OF FOREIGN GROUP COMPANIES

The financial statements of all foreign group companies are translated to Swedish kronor using the current method. This means that the assets and liabilities of foreign subsidiaries are translated at year-end rate, while all income statement items are translated at the average rate for the year. Translation differences are reported as other comprehensive income.

In the consolidated accounts, exchange rate differences attributable to the revaluation of net investments in a foreign operation, along with exchange rate differences attributable to loans or other financial instruments classified as security instruments for such investments, are reported in Other comprehensive income.

Acquisitions

The compensation for the acquisition of a group company consists of fair value of transferred assets, liabilities, and the shares issued by the Group. The compensation also encompasses fair value of all assets or liabilities that are a result of an agreement on contingent consideration. Acquisition-related costs are reported as they arise.

Identifiable acquired assets and transferred liabilities and contingent liabilities in an acquisition are initially valued at fair value on the acquisition day. For each acquisition, the Group determines if all non-controlling interests in the acquired company are to be reported at fair value or at the interest's proportional share in the reported value of the acquired company's net assets.

The amount by which the consideration, any non-controlling interest, and fair value of pre-existing holdings in the acquired company on the acquisition date exceed the fair value of the Group's share in identifiable acquired net assets is reported as goodwill and in Knowit's case primarily consists of expected synergy effects. Contingent consideration is classified as a financial liability and is continuously revalued at fair value. Any revaluation profits or losses are reported in the income statement, as a financial item.

Revenue recognition

Knowit recognizes revenue in accordance with IFRS 15. The Group's revenue comes from consultancy services performed and program licenses sold.

FEE REVENUE

Most of the Group's revenue falls into the category Fee revenue, revenue from service contracts, which are reported in the period that the services are performed. If there are different performance commitments in a contract, the transaction price is distributed across the different performance commitments. In the cases where the transaction price contains variable remuneration, these are estimated and taken into account in the transaction price to the degree to which they are highly likely not required to be repaid.

Estimates of revenues, costs, or degree of project completion are revised if circumstances change. Increases or decreases in assessed revenues or costs due to changed estimates are reported in the income statement for the period when the circumstances that caused the changes became known to the management.

Current account agreements

Essentially all invoicing is based on current account agreements with the client. Projects are recognized as revenue when work has been carried out and the client has taken control of and approved delivery.

Fixed price agreements

Revenue from fixed price agreements is recognized based on the proportion that is completed and that the client has taken control of, using labor hours and production costs incurred as measures of progress. Production costs include all direct material and work costs and indirect costs related to performance of the project in question. Revenue not yet invoiced to clients is recognized as accrued income in the balance sheet. If the invoiced amount exceeds the total completed project value, additional invoicing is reported as advances from clients. Revenue from maintenance contracts is deferred and recognized pro rata over the contractual periods during which services are performed. An expected loss is recognized in accordance with

An expected loss is recognized in accordance with IAS 37.

LICENSING REVENUE

Revenue from licensing refers to licensing revenue for both products developed in-house and externally procured licenses where the costs are invoiced to clients. The licenses can be used by the client without modification or further work, meaning that the revenue can be recognized as profit at the time of sale.

Financial income and expenses

Financial income and expenses in the Group consist of interest income, interest expenses, revaluation of contingent additional considerations, and exchange rate differences. In the Parent Company, results from shares in subsidiaries are added. Interest income and interest expenses are recognized over time using the effective interest method. The effective interest rate is the interest

NOTE 1: continued

rate that makes the current value of all estimated future deposits and payments during the expected fixed interest period equal to the reported value of the claim or liability.

Exchange rate income and exchange rate losses are reported in gross.

Segment reporting

The Group uses segment reporting based on the internal reporting to the highest executive decision-maker. The highest executive decision-maker is the function in charge of allotment of resources and assessment of segment results. In the Group, the highest executive decisionmaker is the President. The Group's operations are organized so that the management team mainly follows up on four business areas: Solutions, Experience, Connectivity, and Insight. See Note 5.

Employee benefits SHORT-TERM BENEFITS TO EMPLOYEES

Liabilities for wages and remuneration, including nonmonetary benefits and paid absence, which are expected to be paid within 12 months of the end of the financial year, are reported as short-term liabilities at the nondiscounted amounts expected to be paid when the liabilities are settled. The cost is recognized as services are rendered by the employees. The liabilities are reported as obligations regarding payments to employees in the balance sheet.

SEVERANCE PAY

Severance payment is made when an employee's employment is terminated by the Group ahead of a normal retirement date or when an employee accepts voluntary dismissal in return for such payment. The Group recognizes severance payments at the first of the following points in time: (a) when the Group no longer has the possibility of cancelling the offer of severance pay; or (b) when the Company recognizes costs for restructuring that is within the application area of IAS 37 and which entails severance payment. In the case where the Company has made an offer to encourage voluntary retirement, severance pay is calculated based on the number of employees who are estimated to accept the offer.

PENSION PLANS

The group companies have several different pension plans, both defined benefits and defined contribution pension plans. They are often financed through payments to insurance companies or trustee-administrated funds, where payments are established based on periodic actuary calculations.

Pensions to senior executives are ensured through defined contribution plans.

Among the other employees, 96 percent have defined contribution pension plans and 4 percent have defined benefit plans through insurance with Alecta.

Defined contribution plans

A defined contribution pension plan is a pension plan in which the Group agrees to pay set fees to a separate legal entity. In this case, the size of the employee's pension depends upon the fees the Group pays and the proceeds from the contributions. The Group has no legal or informal obligations to pay further fees if the legal entity should not have enough assets to pay employees' remuneration for their service during current or previous periods. These fees are recognized as personnel costs when they fall due.

Defined benefit plans

A defined benefit pension plan is a pension plan characterized by it stipulating the pension benefits an employee will receive after retirement, usually based on factors such as age, years of service and wages. The Group vouches for the payment of stipulated benefits.

For salaried employees in Sweden, the ITP2 plan's defined benefit pension commitments are secured for retirement and family pensions through insurance in Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Reporting of the pension plan ITP2 financed through insurance in Alecta, this is a defined benefit plan covering several employers. Alecta has no information regarding the exact division of assets and allocations per individual employer. The pension plan ITP 2 which is guaranteed through insurance in Alecta is therefore reported as a defined contribution plan. The premium for the defined benefit plan is calculated individually and is based on salary, previously earned pension, and expected remaining service, among other things. The expected fees for the next reporting period for ITP 2 in Alecta are SEK 1.9 million. The Group's proportion of total savings premiums for ITP2 in Alecta amounts to 0.04 percent; the Group's proportion of the total number of actively insured in ITP2 amounts to 0.05 percent.

Income taxes

The Group's tax expense consists of current and deferred income tax. The tax expense of the period encompasses current tax calculated based on the taxable result of the period, under the current tax rates. The current tax expense is adjusted for current tax from former years and changes in deferred tax assets and tax liabilities attributable to temporary differences and unused deficits.

The current tax expense is calculated based on the tax rules that are, on the balance sheet day, determined or determined in practice in the countries where the Parent Company and its subsidiaries operate and generate taxable revenue.

Deferred taxes are calculated based on temporary differences between reported and taxable values of assets and liabilities. Deferred tax assets are reported to the extent to which it is likely that future taxable profits will be available, against which the temporary differences can be used.

The current and deferred taxes are reported in the balance sheet, except when taxes pertain to items that are reported as other comprehensive income or directly in equity. In such cases, taxes are also reported as other comprehensive income and equity, respectively.

Deferred tax assets and tax liabilities are offset when there is a legal right to offset current tax claims and debts, and when the deferred tax assets and liabilities pertain

NOTE 1: continued

to taxes debited by a single tax authority and either the same tax subject or different tax subjects.

All tax liabilities and assets are valued at nominal amounts according to the tax rules and tax rates that have been decided or announced and are likely to be adopted. A tax rate of 20.6 percent is used for Swedish companies, a tax rate of 22.0 percent for Norwegian and Danish companies, a tax rate of 20.0 percent for the Finnish companies, and a tax rate of 19.0 percent for the Polish company.

Non-current assets PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are reported at cost reduced by depreciation. Costs for improvements in the performance of assets, over and above their original performance, increase the carrying amount of the assets only if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Costs for repairs and maintenance are reported as expenses in the income statement in the period when they occur. Property, plant and equipment are systematically depreciated over the estimated useful life of each asset. If applicable, the residual value of the asset is taken into account when determining the depreciation amount.

The reported value of property, plant and equipment is removed from the balance sheet in case of retirement or disposal. Profit or loss resulting from this is the difference between the sales price and the asset's reported value, less direct sales costs. Profit and loss are reported as Other operating revenue/cost.

INTANGIBLE ASSETS

Goodwill and other intangible assets represent the difference between the cost and fair value of the Group's participation rights in the acquired subsidiary's assets, assumed liabilities and contingent liabilities at the time of acquisition. An assessment of the reported goodwill value is made whenever there is reason to believe the value of the goodwill has decreased. In cases where reported goodwill exceeds the calculated recoverable amount, the asset is immediately written down to its recoverable amount.

Development costs, where the research results or other knowledge is applied to achieve new or improved products or processes, are reported as an asset in the balance sheet, if the product or process is technically and commercially viable and the company has sufficient resources to finalize development and then use or sell the intangible asset. The reported value includes all directly attributable costs, including for materials and services, compensation to employees, registration of legal rights, amortization/depreciation of patents and licenses, and loan costs in accordance with IAS 23. In the balance sheet, development costs are reported at cost less accumulated depreciation/amortization and any write-downs.

Other costs for development are reported in the income statement as a cost, when they arise.

Other intangible assets mainly consist of client relations

and investments in a group-wide business system. These assets are reported at cost less accumulated amortization. See Note 10.

DEPRECIATION/AMORTIZATION

The straight-line method is used for all types of intangible assets and property, plant and equipment. The depreciation/amortization periods are determined individually for each type of asset and the following periods are applied within the Group:

Computers 3 years Equipment 5-7 years Other intangibles 3-10 years Computer equipment used in consulting operations is expensed directly at the time of acquisition.

IMPAIRMENT

Assets with an undeterminable useful life, such as goodwill, are not amortized but tested for impairment annually or when a need for impairment is indicated. Assets are impaired in regard to value decrease when events or changed conditions indicate that the booked value may not be recoverable. Impairment is made totaling the amount by which the asset's booked value exceeds its recoverable value.

The recoverable value is the greater of the asset's fair value less sales costs and its value in use. When determining value in use, future cash flows are discounted using a discount rate that takes into account the risk free interest rate and risk associated with the specific asset. If the calculated recoverable amount is less than the booked amount, impairment is made to the recoverable amount.

When assessing need for impairment, assets are grouped at the lowest levels for which there are separate identifiable cash flows (cash-generating units). The cashgenerating units in the Group consist of segments, as their cash-generating capabilities are largely judged to be independent of other assets. As regards assets other than goodwill, that have previously been impaired, these are tested for reversal on each balance sheet date.

An impairment loss is recognized in the income statement. The decrease in value recognized through profit or loss is the difference between cost and current fair value less any previously expensed impairment losses and amortizations. See Note 10.

CALCULATION OF RECOVERABLE AMOUNT

The recoverable amount is the higher of fair value less selling costs and value in use. When determining value in use, future cash flows are discounted using a discount rate that takes into account the risk-free interest rate and risk associated with the specific asset. For an asset that does not generate cash flows largely independent of other assets, a common recoverable amount is determined for the cash-generating unit to which the asset belongs.

REVERSAL OF IMPAIRMENT LOSSES

Goodwill impairment is not reversed. Impairment losses on other assets are reversed if there has been a change in the assumptions that served as the basis for the calculation of the recoverable amount. Impairment losses are reversed only to the extent the carrying amount of the assets, following the reversal, does not exceed the carrying amount of the asset, had the impairment not been carried out, taking into account the amortization that would then have been recognized.

NOTE 1: continued

LEASING

When a leasing contract is signed, the Group determines if it contains a lease agreement. A contract contains a lease agreement if the contract transfers the right to, during a certain period, make decisions on the use of an identified asset in exchange for compensation.

The Group recognizes a right-of-use asset and a leasing liability from the start date of the leasing contract. The right-of-use asset is initially valued at the cost of acquisition, consisting of the original value of the leasing liability plus leasing fees paid at or before the start date plus any initial direct fees. The right-of-use asset is amortized linearly from the start date until whichever occurs first of the end of the useful life or the end of the lease term.

The leasing liability, which is divided into a long-term and a short-term part, is initially valued at the present value of the remaining leasing fees for the estimated leasing period. If the group is reasonably certain of exercising an option to extend the lease contract, lease payments for the extended lease period are included in the valuation of the liability.

The leasing period consists of the non-cancellable term, plus any further periods in the contract for which, at the start date, use is assessed as reasonably certain. The Group has estimated the length of the leasing period based on expected use in current business operations. The leasing liability for the Group's offices where rent is subject to index incrementation, is calculated on the rent applicable at the end of each reporting period.

The leasing fees are discounted at the marginal borrowing rate of the leasing contract. If this interest rate cannot easily be determined, Knowit's marginal borrowing rate is used. The leasing liability is then valued at amortized cost with the effective interest method.

The Group has chosen not to report right-of-use assets and leasing liabilities for leasing contracts with a remaining leasing period of 12 months or less, or leasing contracts of lesser value (value of underlying asset less than SEK 50,000). Leasing fees for these leasing contracts are reported as a cost linearly throughout the leasing period.

Financial assets

Financial assets are initially valued at fair value. The Group has financial assets in the form of loans and accounts receivable. The classification depends on the purpose for which the financial asset was acquired. Management determines the classification of financial assets upon initial recognition. Acquisitions and divestments of financial assets are recognized on the business day – the date when the Group commits to buying or selling the asset. Financial assets are removed from the balance sheet when the right to gain cash flow from the instrument has expired or been transferred and the Group has transferred the main part of the risks and benefits connected to ownership.

LOANS AND ACCOUNTS RECEIVABLE

Loans and accounts receivable are financial assets which are not derivatives, which have determined or determinable payments, and which are not listed on an active market. They are included in current assets excepting items which fall due more than twelve months after the balance sheet day, which are classified as non-current assets. Loans receivable, accounts receivable and investments held to maturity are subsequently reported at amortized cost using the effective interest method, less provision for possible credit losses.

IMPAIRMENT

For the category financial assets valued at amortized cost value, impairment is calculated as the difference between the carrying amount of the asset and the current value of estimated future cash flows, discounted at the original effective interest rate of the financial asset. The carrying amount of the asset is impaired and the impairment loss is recognized in the income statement of the Group.

Financial liabilities

ACCOUNTS PAYABLE

Accounts payable are commitments to pay for goods or services acquired from suppliers in the course of operating activities. Accounts payable are classified as other financial liabilities. Accounts payable have a short expected maturity and are valued at a nominal amount.

OUTSTANDING LOANS

Outstanding loans are initially recognized at fair value net of transaction costs. Thereafter, outstanding loans are recognized at amortized costs and any difference between the amount received (net of transaction costs) and the amount to be reimbursed is recognized in the income statement, distributed over the term, applying the effective rate method.

A financial liability is removed from the balance sheet when it is extinguished, i.e., when the obligation stated in the contract is fulfilled, cancelled or ceases.

The Group's loans currently have floating interest rates.

LIABILITIES PERTAINING TO FUTURE CONSIDERATION

The Group's liabilities pertaining to future consideration of non-controlling interests are valued at fair value, with the change of value recognized in equity.

Currency hedge accounting

The effective part of changes in fair value of loans that are hedges of net investments in foreign operations and which meet the requirements for hedge accounting, are reported as other comprehensive income and accumulated in equity. Profit or loss relating to the non-effective part is recognized directly in the income statement. Accumulated profit or loss are recognized in the income statement when foreign operations are sold.

Provisions

Provisions are reported when the Group has a legal or informal obligation due to events that have occurred, it is more likely than not that an outflow of resources will be required to settle the commitment and a reliable

NOTE 1: continued

estimate of the amount can be made. Restructuring provisions are made when a detailed, formal plan for these measures has been prepared and those who will be affected by such measures have well-founded expectations. If there are a number of similar obligations, the probability of whether an outflow of resources will be required is assessed for the group of undertakings as a whole. A provision is reported even if the probability of an outflow for a specific entry in this group of obligations is minimal.

Equity

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issuance of new shares or options are recognized in equity as a deduction from the issue proceeds.

When the Group repurchases shares, the equity related to the Parent Company's shareholders is reduced by the price paid, including any transaction costs. If these shares are sold, the price received is reported in equity attributable to the Parent Company's shareholders.

Cash flow statement

The cash flow statement is prepared using the indirect method. Reported cash flow includes only those transactions that have involved receipts or disbursements. Cash and bank balances are classified as cash and cash equivalents, as are other short-term investments with a maturity of less than three months from the date of acquisition.

Important assumptions and estimates in financial reports

Preparing accounts in accordance with IFRS requires the use of some important accounting assumptions. The management team must also make some estimates when applying the Group's accounting principles. These lead to projections that affect the values of assets and liabilities and revenues and expenses, as well as the information reported in explanations and disclosures. Assumptions and estimates are evaluated regularly based on historical experience and other factors, including expectations of future events that are considered reasonable under current conditions. Estimates and assumptions have been made in the following areas:

IMPAIRMENT TEST GOODWILL

The value of goodwill depends on future cash flows. The Group annually assesses if there is need for impairment of goodwill. The recoverable amount for cash-generating units has been established through calculation of the value in use. The impairment test of reported values performed by the Group encompasses a number of significant assumptions and estimates, such as future revenue, growth, margins, discount rates, see Note 10.

REVENUE

Most of the Group's revenue is based on current account agreements with the client. These are continuously recognized in revenue, as work is performed, until the client has taken over control and approved the delivery.

A smaller share of the Group's agreements are fixed price agreements. These are assessed in relation to the proportion of the project that is completed. As not all earned revenue has been invoiced at each year-end, but are reported as contract assets, see Note 19, this leads to a subjective assessment of if the contract assets are in accordance with existing contracts and thus can be invoiced to clients. The same subjective assessment must be performed based on invoiced revenue as Knowit must, at each year-end, assess the risk for client losses and make reservations for the assessed risk of non-payment.

ADDITIONAL CONSIDERATIONS AND CONTRACTUAL FUTURE CONSIDERATIONS

Management continuously monitors the financial performance of acquired units with outstanding additional consideration stipulations and contractual future considerations, and estimates future outcomes. Estimated outcomes are reported as liabilities, see Note 21.

Parent Company's accounting principles

The Parent Company has prepared its annual financial statements in accordance with the Swedish Annual Accounts Act and Swedish Financial Accounting Standards Council's recommendation RFR 2. RFR 2 states that the Parent Company, in the annual financial statements of the legal entity, must apply all IFRS standards and statements adopted by the EU to the extent this is practicable within the framework of the Annual Accounts Act and taking into account the relation between accounting and taxation. The recommendation specifies the exceptions and additions from IFRS' standards. The accounting principles indicated below have been used consistently for the Parent Company in all periods presented in the Parent Company's financial reports.

Differences between the Group's and the Parent Company's accounting principles: LEASING

The Parent Company has, in accordance with RFR 2, chosen not to apply IFRS 16 Leases. For leasing where the Company is the lessee, leasing fees are recognized linearly over the leasing period and right-of-use assets and leasing liabilities are thus not reported in the balance sheet.

SUBSIDIARIES

Shares in subsidiaries are recognized in the Parent Company according to the acquisition value method, IFRS 3. Transaction fees are included in the recognized value for holdings in subsidiaries. In the Group, transaction fees attributable to subsidiaries are recognized as profit/loss when they arise.

NOTE 1: continued

FINANCIAL INSTRUMENTS

The Parent Company has chosen not to apply IFRS 9 for financial instruments. Some of the principles in IFRS 9 are still applicable – such as those regarding deprecation, recognition/derecognition, criteria for using hedge accounting, and the effective interest rate method for interest revenue and expenses. In the Parent Company, financial non-current assets are valued at cost less any impairment losses, while financial current assets are valued at the lower of cost or net realizable value.

TRANSACTIONS WITH RELATED PARTIES

The Parent Company maintains close relations with its subsidiaries. Fourteen percent of its sales relate to subsidiaries and 78 percent of its purchases have been made from subsidiaries. Receivables and liabilities vis-à-vis subsidiaries are indicated in the balance sheet. The Group's and Parent Company's transactions with key persons are shown in Note 9, Salaries, other remuneration and social security expenses, and Note 29, Transactions with related parties. Knowit has not granted any loans, issued any guarantees or offered any sureties to, or on behalf on, any members of the Board or senior executives.

SALES OF GOODS AND PERFORMANCE OF SERVICE CONTRACTS

Service contracts are recognized in profit/loss in accordance with the Swedish Annual Accounts Act, Chapter 2 Section 4, when the services are delivered. Until then, they are recognized as contractual assets pertaining to service contracts at cost of acquisition or net sales value on the balance sheet day, whichever is lower.

PROPERTY, PLANT AND EQUIPMENT

The Parent Company reports property, plant and equipment at cost less accumulated depreciation and any impairment losses in the same way as for the Group, but with an addition for any revaluations.

In the Parent Company, all leasing agreements are recognized in accordance with the rules on operational leases.

LOAN COSTS

The Parent Company's loan costs are recognized as an expense in the period in which they are incurred, in accordance with IAS 23.

TAXES

The Parent Company reports untaxed reserves including deferred taxes. In the consolidated accounts, untaxed reserves are divided between deferred taxes and equity.

GROUP CONTRIBUTIONS

Group contributions received by the Parent Company from subsidiaries are recognized as financial items, group contributions made are recognized as increased participation in group companies.

NOTE 2: Critical valuation and risk factors

The Company is exposed to a number of risks, both valuation risks and financial risks, through its operations. The management has assessed the factors and risks that could impact the consolidated accounts in the financial reports through the application of the principles for valuation of assets and liabilities detailed in Note 1. Below is an account of the most critical valuation and risk factors.

Valuation factors

The total value of goodwill and other intangible assets was SEK 4,629.7 million on December 31, 2022, making valuation of this an important factor in the consolidated earnings.

Impairment tests have been conducted to determine the value of goodwill using anticipated future cash flows for the Group's cash-generating units. The Group's cashgenerating units are the segments. The assessments are based on each segment's past performance and anticipated future prospects. Sensitivity analyses have been conducted with regard to changes in interest rates. See Note 10.

FIXED PRICE PROJECTS

Fixed price projects pose a risk to financial results. Fixed price projects accounted for around 11 (12) percent of total sales in 2022. Since the projects are recognized as revenue in relation to their degree of completion, great demands are placed on the organization's ability to evaluate and assess each individual project.

Risk factors

Knowit's operations are affected by a number of risk factors, which are not or not fully controlled by the Company. The Board and management team work continuously with risk assessment and risk management. For more information on operative risks, sustainability risks, and legal risks, see pages 60-63.

FINANCIAL RISKS

Accounts receivable

Within the Group, each subsidiary is responsible for following up and analyzing the credit risk for each new client before standard terms of payment and delivery are offered. Overdue accounts receivable are followed up on a monthly basis in each subsidiary and at the group level. The turnover rate of accounts receivable and credit losses constitutes a risk and there is a risk that the counterpart in a transaction will not fulfil its contractual obligations and that any collaterals will not cover the Group's claims. The Group's credit risk consists mainly of credit exposure towards the Group's clients. As of December 31, 2022, the Group's accounts receivable totaled SEK 1,330.6 million. In the case of non-payment on the part of a client, Knowit might suffer from a credit loss. Knowit's clients are mainly larger companies and organizations with strong financial positions. Further, historically realized and reser-

NOTE 2: continued

ved losses also show that the risk is low. If Knowit is still exposed to credit loss relative to larger accounts receivable, this might have significant impact on the Group's cash flow. The Company manages this risk by following up on accounts receivable on a monthly basis in each subsidiary and in the Group's monthly report to the Board. Further, a group-wide policy for credit checks and routines for reminders has been drawn up. Individual risk limits are set based on internal or external credit assessments in accordance with the limitations set by the Board.

Liquidity and financing

Liquidity and financing risks refer to the risks that Knowit cannot raise the means needed at a reasonable cost or sell assets at a reasonable price in order to make payments at the time they are due. Liquidity and financing risks can also be described as the risk of a lack of financing on reasonable terms or a difficulty in capital provision. The Group mainly finances its operations through equity, new issues, and the Group's own cash flow. As of December 31, 2022, the Group had external financing in the form of bank loans totaling SEK 700 million, of a total granted credit facility of SEK 1,050 million. If Knowit cannot obtain acceptable financing, or cannot do so on attractive terms, this could limit the Company's ability to retain its position in the market or the competitiveness of its offer. There is a risk that new capital cannot be brought in when it is needed or on acceptable terms or that the capital brought in is not enough to finance the operations in line with the established development plans and targets. The terms for available financing may also have a negative impact on the Company's operations as loan financing, when possible for the Company, may include restrictive conditions that could limit the Company's flexibility.

The Company manages this risk through continuous forecasts regarding the Group's liquidity reserves based on the companies' expected cash flow and has a continuous dialogue with creditors to be prepared if financing needs should arise. The Group's investment policy is that all liquidity is placed in banks, where there is an insignificant risk of value change.

The Group's interest risk arises mainly from placement of liquid assets and bank loans taken. The Group's loans have a variable interest rate which is normally set for a period of three months at a time. A change in the interest rate of 1 percentage point is assessed to affect the earnings after financial items by SEK +/- 7.0 million.

Exchange rate risks

The Group operates internationally and is exposed to exchange rate risk from various currencies, mainly NOK, EUR, PLN, and DKK. Exchange rate risks primarily arise from recalculation of future business transactions, assets and liabilities, and net investments in foreign operations. If the Swedish krona were weakened/strengthened by ten percent as compared with NOK, with all other things constant, the earnings for the year before amortization of intangible assets (EBITA) on December 31, 2022, would have been SEK 20.4 million higher/lower. If the Swedish krona were weakened/strengthened by ten percent as compared with EUR, with all other things constant, the earnings for the year before amortization of intangible assets (EBITA) on December 31, 2022, would have been about SEK 3.1 million higher/lower. If the Swedish krona were weakened/strengthened by ten percent as compared with DKK, with all other things constant, the earnings for the year before amortization of intangible assets (EBITA) on December 31, 2022, would have been about SEK 0.6 million higher/lower. If the Swedish krona were weakened /strengthened by ten percent as compared with PLN, with all other things constant, the earnings for the year before amortization of intangible assets (EBITA) on December 31, 2022, would have been about SEK 0.5 million higher/lower. The Group manages this risk by continually reviewing its exposure to foreign currencies and in relevant cases ensuring that the exposure is hedged.

Risks relative to fulfilment of financial targets

Knowit's goal regarding capital structure is to safeguard the Company's ability to continue operations, so that it can continue to generate returns to shareholders and benefit other stakeholders, and to retain the best possible capital structure to keep capital costs down. The Board's long-term targets for growth, profit, and debt ratio are prioritized goals for a sustainable capital structure. In order to retain or adjust the capital structure, Knowit can alter dividends paid to shareholders, repay invested capital to shareholders, issue new shares or sell assets to decrease liabilities. The Company assess the need for capital in relation to the equity/asset ratio. In the Company's assessment, the likelihood of the risk being realized is low, but if Knowit does not manage to ensure the Company's ability to continue its operations, this could have a significant effect on the Company's profit and financial position. The Company manages this risk by continuously following up on the financial targets to discover any risks and deviations in advance. For follow-up of the financial targets, see page 12 in this Annual Report.

NOTE 3: Net sales by classification

	Gre	oup	Parent Company		
SEK 000s	2022	2021	2022	2021	
Net sales by classification					
Consulting services	6,520,973	4,624,465	599,855	493,062	
Software licenses	142,148	80,349	7,389	8,296	
Own work capitalized	-	-	-	2,308	
Other	170,625	107,025	123,607	65,561	
TOTAL	6,833,746	4,811,839	730,851	569,227	

The table below shows net sales to external customers by geographical market, based on where the clients are located.

	Group		Parent Company		
SEK 000s	2022	2021	2022	2021	
Net sales by geographical market					
Sweden	3,137,912	2,402,844	696,126	553,709	
Norway	2,082,177	1,583,907	17,760	10,279	
Denmark	661,629	239,901	4,067	1,189	
Finland	600,956	340,402	8,198	1,557	
The Netherlands	212,788	150,354	-	-	
Germany	68,385	34,784	219	90	
Poland	14,908	5,400	3,666	-	
USA	13,784	7,144	-	-	
China	5,088	-	-	-	
Singapore	5,063	2,881	-	-	
France	4,178	1,105	-	-	
South Korea	4,060	2,372	-	-	
Belgium	3,848	-	-	-	
Chile	3,532	-	-	-	
Austria	3,532	2,824	-	-	
Great Britian	3,013	5,146	751	2,403	
United Arab Emirates	2,698	-	-	-	
Switzerland	2,511	17,821	-	-	
Others	3,683	14,954	63	-	
TOTAL	6,833,746	4,811,839	730,851	569,227	

 Net sales per geographic market in the previous year have been adjusted due to a partially erroneous allocation in 2021.

During the fiscal year, the 10 largest customers accounted for about 23 (24) percent of sales. No single customer accounted for more than around 5 (5) percent of sales.

NOTE 4:

Group revenue from contracts with customers

GEOGRAPHIC CATEGORIZATION

Group, SEK 000s	2022	20211)
Consulting services		
Sweden	3,047,471	2,412,606
Norway	2,056,990	1,556,594
Denmark	615,723	248,334
Finland	580,832	317,055
Poland	197,210	75,039
Other	22,747	14,837
TOTAL FEE REVENUE	6,520,973	4,624,465
Other revenue		
Sweden	162,901	108,545
Denmark	61,067	5,950
Norway	52,970	50,077
Finland	33,276	21,345
Poland	2,509	1,251
Other	50	206
TOTAL OTHER REVENUE	312,773	187,374
TOTAL NET REVENUE	6,833,746	4,811,839

SEGMENT CATEGORIZATION²⁾

Group, SEK 000s	2022	2021
Consultancy services		
Solutions	3,769,334	2,740,288
Experience	1,502,557	1,222,088
Connectivity	951,714	438,540
Insight	715,985	482,653
Parent Company/Group adjustments	-418,617	-259,104
TOTAL FEE REVENUE	6,520,973	4,624,465
Other revenue		
Solutions	155,101	67,256
Experience	82,836	84,759
Connectivity	88,609	40,862
Insight	14,849	6,586
Parent Company/Group adjustments	-28,622	-12,089
TOTAL OTHER REVENUE	312,773	187,374
TOTAL NET REVENUE	6,833,746	4,811,839

1) Sales per country in the previous year has been adjusted due to a partially erroneous allocation in 2021.

allocation in 2021. 2) Segmentation has been updated in accordance with the segment report in Note 1. The comparative figures for 2021 have been updated. The revenue category Software licenses is reported under the category Other revenue, as the amount is not significant.

The revenue category Software licenses is reported under the category Other revenue, as the amount is not significant. For more information, see Note 1 Accounting and valuation principles and Note 3 Net sales by classification.

NOTE 5: Segment reporting

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The Group's operations are organized so that the corporate management mainly follows up net sales, EBITA result, EBITA margin, intangible assets, and average number of employees in the Group's segments.

The Group's segments consist of Knowit's four busi-

ness areas: Solutions, Experience, Connectivity, and Insight.

Non-distributed costs consist of the Parent Company's group-wide costs regarding management, finance, and marketing.

2022, SEK 000s	Solutions	Experience	Connectivity	Insight	Other	Total
External net sales	3,664,010	1,473,399	981,130	653,275	61,932	6,833,746
Net sales between segments	260,423	111,995	59,193	77,560	-509,172	-
NET SALES	3,924,433	1,585,393	1,040,323	730,834	-447,239	6,833,746
EBITA result ¹⁾	398,568	167,791	118,603	68,585	-157,072	596,475
Amortization of intangible assets	-57,206	-25,559	-46,022	-13,600	-6,944	-149,331
Operating profit (EBIT)	341,362	142,232	72,581	54,985	-164,016	447,144
Result after financial items						483,676
PROFIT FOR THE YEAR						392,187
EBITA margin, %	10.2	10.6	11.4	9.4		8.7
AVERAGE NUMBER OF EMPLOYEES	1,739	896	694	420	128	3,877
TOTAL INTANGIBLE ASSETS	2,105,043	739,081	1,180,908	591,894	12,775	4,629,701
PROPERTY, PLANT AND EQUIPMENT 2)	20,145	4,199	11,783	1,801	685,921	723,851
2021, SEK 000s	Solutions 3)	Experience	Connectivity	Insight ³⁾	Other	Tota
External net sales	2,695,248	1,208,413	431,269	433,176	43,733	4,811,839
Net sales between segments	112,296	98,435	48,133	56,063	-314,927	-
NET SALES	2,807,544	1,306,848	479,402	489,239	-271,194	4,811,839
EBITA result ¹⁾	318,329	131,888	48,341	50,011	-110,029	438,540
Amortization of intangible assets	-30,243	-15,920	-21,200	-1,819	-6,066	-75,247
Operating profit (EBIT)	288,086	115,968	27,141	48,192	-116,095	363,293
Result after financial items						370,130
PROFIT FOR THE YEAR						294,812
EBITA margin, %	11.3	10.1	10.1	10.2		9.1
AVERAGE NUMBER OF EMPLOYEES	1,476	815	326	297	66	2,980
TOTAL INTANGIBLE ASSETS	1,888,624	592,330	1,100,894	238,503	19,169	3,839,520
PROPERTY, PLANT AND EQUIPMENT 2)	11,326	5,408	280	48	273,647	290,710

Result before amortization of intangible assets.
 Of total equipment totaling SEK 5,453 (4,130) million, equipment in Sweden amounted to SEK 3,056 (2,633) million.
 On January 1, 2022, a smaller operation formerly included in the segment Solutions was transferred to the segment Insight. Comparative information is given in accordance with the new segmentation. Comparison-impairing items have not affected the segments during the period.

NOTE 6: Internal purchases and sales

PARENT COMPANY

Of the Parent Company's sales, 14 (10) percent is attributable of invoicing to subsidiaries and 78 (78) percent of the Parent Company's costs are attributable to purchases from subsidiaries.

NOTE 8:

Average number of employees

	2022		2021	
	Employees	Male	Employees	Male
Parent Company				
Sweden	18	8	23	11
TOTAL IN PARENT	18	8	23	11
Subsidiaries				
Sweden	1,963	1,329	1,570	1,097
Norway	936	680	863	642
Finland	430	317	269	214
Denmark	224	156	105	67
Poland	291	231	142	110
Other	15	14	8	8
TOTAL IN SUBSIDIARIES	3,859	2,726	2,957	2,138
GROUP TOTAL	3,877	2,735	2,980	2,148

NOTE 7: Specification of auditing expenses

	Gre	oup	Parent C	ompany
SEK 000s	2022	2021	2022	2021
KPMG				
Audit assignment	7,312	5,119	1,766	961
Additional auditing assignments	181	280	111	259
Tax counseling	0	5	0	-
Other assignments	736	2,880	702	2,783
TOTAL ¹⁾	8,229	8,284	2,579	4,003
Other auditors				
Audit assignment	260	220	-	-
Additional auditing assignments	_	73	_	_
Other assignments	-	15	-	-
TOTAL ²⁾	260	308	-	-
TOTAL	8,489	8,592	2,579	4,003

 THE GROUP: For the audit assignment, SEK 4,362,000 pertain to KPMG Sverige, for additional auditing assignments, SEK 75,000 pertain to KMPG Sverige, for tax counseling, SEK 0 pertain to KPMG Sverige, and for other assignments, SEK 702,000 pertain to KPMG Sverige.

THE PARENT COMPANY: For the audit assignment, SEK 1,866,000 pertain to KPMG Sverige, for additional auditing assignments, SEK 11,000 pertain to KMPG Sverige, for tax counseling, SEK 0 pertain to KPMG Sverige and for other assignments, SEK 702,000

pertain to KPMG Sverige.
2) Other auditors are RSM Poland Sp. Z o.o. Sp. K, BDO Målardalen. Parameter Revision, and PwC.

The audit assignment pertains to fees for statutory auditing, i.e., work necessary to present the auditor's report and so-called audit counseling in connection with the audit assignment. All other auditing activities are considered to be other assignments. This includes, for example, review of Knowit's interim reports.

NOTE 9: Salaries, other remuneration and social security expenses

		2022			2021	
SEK 000s	Salaries and remuneration	Social security expenses	Of which pension costs	Salaries and remuneration	Social security expenses	Of which pension costs
Parent Company	42,668	24,927	11,618	47,249	22,799	8,706
Subsidiaries in Sweden	1,271,822	567,835	169,445	1,016,733	471,674	149,439
Subsidiaries in Norway	950,363	195,715	51,774	786,150	154,933	38,241
Subsidiaries in Denmark	209,992	21,351	18,478	100,017	9,357	8,308
Subsidiaries in Finland	311,757	59,545	54,651	171,867	32,586	29,643
Subsidiaries in other countries	136,505	13,689	119	51,951	6,370	75
SUBSIDIARIES TOTAL	2,880,440	858,135	294,466	2,126,718	674,921	225,705
GROUP TOTAL	2,923,108	883,062	306,085	2,173,967	697,720	234,411

More than 4 (5) percent of all employees qualify for the ITP-defined benefit pension plan through Alecta. The others have defined contribution insurance solutions. The pension plan secured through insurance from Alecta is reported as a defined contribution plan. The retirement age for all employees is 65 years.

SALARIES AND OTHER REMUNERATION TO THE BOARD, PRESIDENT, MANAGEMENT TEAM AND OTHER EMPLOYEES

	2022			2021		
SEK 000s	Board, president and management team ¹⁾	Of which bonuses	Other employees	Board, president and management team ¹⁾	Of which bonuses	Other employees
Parent Company	21,061	4,353	17,254	13,877	3,924	29,448
Subsidiaries in Sweden	44,459	12,768	1,214,595	44,398	9,860	962,475
Subsidiaries in Norway	33,749	11,764	904,849	29,111	9,785	747,254
Subsidiaries in Denmark	10,790	1,732	197,471	6,253	1,442	92,322
Subsidiaries in Finland	8,340	1,092	302,326	7,983	2,095	161,789
Subsidiaries in other countries	2,491	547	133,467	2,065	975	48,911
SUBSIDIARIES TOTAL	99,829	27,903	2,752,708	89,810	24,157	2,012,751
GROUP TOTAL	120,890	32,256	2,769,962	103,687	28,081	2,042,199

The number of CEOs in subsidiaries is 73 (71)

 In 2022, there were six senior executives for the Group, of which three female. In the Parent Company, there were eight Directors during the period up to the AGM on May 2, 2022, and six Directors during the rest of 2022.

PRINCIPLES AND REMUNERATION TO SENIOR EXECUTIVES

Remuneration paid to the Chairman of the Board and Board members is determined by the Annual General Meeting. The Annual General Meeting 2022 resolved on the following remuneration: SEK 725,000 (700,000) to the Chairman and SEK 270,000 (260,000) to other Directors. The fee to the Chairman of the Audit Committee is SEK 135,000 (130,000) and to each member of the Audit Committee SEK 68,000 (65,000). The fee to the Chairman of the Remuneration Committee is SEK 70,000 (70,000) and to each member of the Remuneration Committee SEK 35,000 (35,000).

Remuneration to the CEO and other senior executives consists of a base salary, variable remuneration, other benefits and pensions. The Chairman negotiates the CEO's terms of employment, which are set by the Remuneration Committee. The CEO negotiates the terms of employment of other senior executives.

SALARIES AND REMUNERATION TO THE BOARD AND SENIOR EXECUTIVES

Group 2022, SEK 000s	Base salary/fees	compen- sation	Other benefits	Pension costs ¹⁾	Total
Jon Risfelt, Chairman	854	-	-	-	854
Kia Orback Pettersson, Director	400	-	-	-	400
Peder Ramel, Director	108	-	-	-	108
Camilla Monefeldt Kirstein, Director	302	-	-	-	302
Gunilla Asker, Director	87	-	-	-	87
Stefan Gardefjord, Director	312	_	-	-	312
Olof Cato, Director	268	-	-	-	268
Sofia Karlsson, Director	245	-	-	-	245
Per Wallentin, CEO	8,207	2,673	104	3,053	14,037
Other senior executives (9)	21,123	4,168	347	5,433	31,071
Group 2021, SEK 000s					
Jon Risfelt, Chairman	782	-	-	-	782
Kia Orback Pettersson, Director	372	_	_	_	372
Peder Ramel, Director	312	-	-	-	312
Camilla Monefeldt Kirstein, Director	287	-	-	-	287
Gunilla Asker, Director	252	-	-	-	252
Stefan Gardefjord, Director	252	-	-	-	252
Olof Cato, Director	65	-	-	-	65
Sofia Karlsson, Director	65	-	-	-	65
Per Wallentin, CEO	7,360	2,717	103	2,737	12,917
Other senior executives (9)	15,140	3,936	283	4,068	23,427

1) Including pension tax expense.

NOTE 9: continued

The Board consists of 8 (8) Board members during the period up to the Annual General Meeting on May 2, 2022, of whom 4 (4) are women, after which there are 6 Board members for the remainder of 2022, of whom 3 are women. Other senior executives include 10 (10) persons, of whom 6 (5) are women.

The CEO, Per Wallentin, has received a base compensation of SEK 8,207,000 (7,360,000) and variable remuneration of SEK 2,673,000 (2,717,000) from the Parent Company, based on Group results and operating margin. Health insurance and pension premiums amounted to SEK 3,053,0000 (2,737,000). Other benefits amounted to SEK 104,000 (103,000).

Other senior executives received base salaries totaling SEK 21,123,000 (15,140,000) and variable compensation, based on Group results and operating margin, of SEK 4,166,000 (3,936,000). Health insurance and pension premiums amounted to SEK 5,433,000 (4,068,000). Other benefits amounted to SEK 347,000 (283,000).

NOTICE PERIODS ETC.

Knowit AB and the CEO have agreed upon a mutual term of notice of 12 and 24 months. Severance is not payable. Other senior executives have a mutual term of notice of between 6 and 12 months. Severance is not payable.

PENSIONS

The pension premium for the CEO and other senior executives, is set at a maximum of 35 percent of base salary.

NOTE 10: Intangible assets

	Goodwill		Intangible assets		
Group, SEK 000s	2022	2021	2022	2021	
Accumulated costs					
Opening balance	3,120,541	1,200,646	993,908	380,643	
Business acquisitions	543,981	1,877,396	275,898	604,923	
Investments	-	-	10,121	4,138	
Translation differences	90,032	42,499	33,754	4,204	
CLOSING BALANCE, COSTS	3,754,554	3,120,541	1,313,681	993,908	
Accumulated amortization					
Opening balance	-	-	-274,929	-200,606	
Impairment for the year	-	-	-4,619	-	
Amortization for the year	-	_	-144,712	-75,247	
Translation differences	-	-	-14,275	924	
CLOSING BALANCE, ACCUMULATED AMORTIZATION	_	_	-438,535	-274,929	
CARRYING AMOUNT	3,754,554	3,120,541	875,146	718,979	
Allocation of other intangibles					
Client relations			737,545	604,528	
Brand			93,503	71,900	
Business systems			44,099	42,551	
TOTAL			875,146	718,979	
Allocation of goodwill and other intangibles per segment					
Solutions	1,743,061	1,587,226	361,982	301,398	
Experience	583,757	469,267	155,324	123,063	
Connectivity	954,962	864,647	225,946	236,247	
Insight	472,364	197,660	119,530	40,843	
Parent Company/ Group	410	1,741	12,365	17,428	
TOTAL	3,754,555	3,120,541	875,146	718,979	

IMPAIRMENT TESTING GOODWILL

Goodwill is divided into cash-generating units, which coincide with the Group's segments. The impairment testing is performed for segments, as the acquired operations are integrated into existing operations to such an extent that it is no longer possible to differentiate between assets and cash flow attributable to the acquired company. It is possible to see the Group as a cash-generating unit, as the same offering covers the entire Group: consultancy services. Internally, follow-up is performed for our business areas: Solutions, Experience, Connectivity and Insight, therefore we have chosen to divide goodwill between them. They operate in the same market, with the effect that we have the same requirements on returns and growth for all four segments. The recoverable value for cash-generating units has been determined based on the units' value in use, which consists of the current value of expected future cash flows

The cash flow forecasts are based on an assessment of expected growth rate and development of the EBITA margin with a basis in the business plan for next year, the management team's long-term expectations on the operations and its historical development. Estimated values in use are sensitive mainly to changes in assumptions on

NOTE 10: continued

growth rate, EBITA margin and discount rate. The assumptions applied are based on past experience and the market development. For next year and the following three years, a growth rate of 2 (2) percent has been used. For cash flows beyond this four-year period, the growth rate has been assumed to correspond to that for the third year. The requirement on returns has been discounted with an average capital cost corresponding to 11.4 (9.7) percent before taxes. The requirement on returns has been established based on the Group's current capital structure and reflects the risks that apply to the various segment. The level of the discount rate also corresponds to the levels that the stock market has for a company like Knowit. Scenarios in which the variables for growth rate, margin development and the discount rate vary are used to obtain an interval between a lowest value and an expected value for the operation. Even the lowest calculated value shows that the recoverable amount for goodwill is greater than the book value in all cash-generating units. A sensitivity analysis shows that the goodwill value would still be retained even if the growth rate were decreased by two percentage points and/or if the discount rate were increased by two percentage points.

	Goodwill		Other intangible assets	
Parent Company, SEK 000s	2022	2021	2022	2021
Accumulated costs				
Opening balance	-	-	28,541	26,232
Investments in business systems	20	_	49	2,309
CLOSING BALANCE, COSTS	20	-	28,590	28,541
Accumulated amortization				
Opening balance	-	-	-13,206	-8,454
Amortization for the year	-3	-	-5,384	-4,752
CLOSING BALANCE, ACCUMULATED A MORTIZATION	-3	_	-18,590	-13,206
CARRYING AMOUNT	17	_	10,000	15,335

Investments in business systems refers to costs paid for group-wide systems and refers only to externally acquired assets and internally invested time.

NOTE 11: Property, plant and equipment

The Group's property, plant and equipment include both owned and leased assets.

Group, SEK 000s	2022	2021
Owned equipment	79,114	33,867
Right-of-use assets 1)	644,737	256,843
CLOSING BALANCE, RESIDUAL VALUE	723,851	290,710
Depreciation for the year of owned property, plant and equipment	-20,113	-17,236
Depreciation for the year of right-of-use assets 1)	-128,680	-106,336
TOTAL DEPRECIATION FOR THE YEAR	-148,793	-123,572

1) See Note 32 Leasing.

	Gro	pup	Parent C	ompany
SEK 000s	2022	2021	2022	2021
Equipment				
Acquisition value brought forward	104,078	89,486	18,013	17,877
Through acquisition of Group companies	2,493	16,796	-	_
Purchases	63,309	7,975	23,671	199
Sales/disposals	-15,255	-14,076	-188	-63
Translation difference	-615	3,897	-	-
ACQUISITION VALUE CARRIED FORWARD	154,010	104,078	41,496	18,013
Depreciation brought forward	-70,211	-65,209	-16,610	-15,429
Sales/disposals	12,120	13,609	138	55
Depreciation for the year	-20,113	-17,236	-2,343	-1,236
Translation difference	3,308	-1,375	-	-
DEPRECIATION CARRIED FORWARD	-74,896	-70,211	-18,816	-16,610
CARRYING AMOUNT	79,114	33,867	22,681	1,403

\rightarrow SUPPLEMENTARY INFORMATION AND NOTES

NOTE 12: Shares in associated companies

The holdings of the previous year were reclassified as Other long-term securities holdings in 2021.

Group, SEK 000s	2022	2021
Accumulated acquisition values		
Opening acquisition values	-	7,852
Share of profit after tax	-	635
Translation difference	-	1,199
Reclassification	-	-9,686
CLOSING ACQUISITION VALUES	-	-

NOTE 13: Result from financial items

Group, SEK 000s	2022	2021
Financial income		
Other interest income	8,197	258
Other financial income	86,766	20,349
TOTAL FINANCIAL INCOME	94,963	20,607
Financial expenses		
Interest expenses leasing	-12,371	-4,306
Interest expenses bank loans	-23,122	-6,170
Other financial expenses	-22,938	-3,293
TOTAL FINANCIAL EXPENSES	-58,431	-13,770
Parent Company, SEK 000s	2022	2021
Result from participations in Group companies		
Group contributions	299,860	192,050
Dividends	404,282	8,949
TOTAL RESULTS FROM PARTICIPATIONS IN GROUP COMPANIES	704,142	200,999
Interest income and similar profit/loss items		
Interest income Group companies	29,363	4,156
Other interest income	7,061	135
Exchange rate differences	73,744	26,109
TOTAL INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS	110,168	30,400
Interest expenses and similar profit/loss items		
Interest expenses Group companies	-30,924	-761
Interest expenses bank loans	-22,387	-5,685
Exchange rate differences	-36,938	-15,431
TOTAL INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS	-90,249	-21,877

NOTE 14: Taxes

	Group		Parent Company	
SEK 000s	2022	2021	2022	2021
Current tax				
Current tax on profit/ loss for the year	-104 794	-151 088	-32 193	-17 339
Adjustments relating to previous years	-205	196	13	-
TOTAL CURRENT TAX	-104 999	-150 892	-32 181	-17 339
Deferred tax				
Changes in temporary differences	13 510	75 574	957	731
TOTAL DEFERRED TAX	13 510	75 574	957	731
TOTAL INCOME TAX	-91 489	-75 318	-31 224	-16 608

The Group's hedge accounting has resulted in taxes totaling KSEK -10,591 (1,324) being accounted for in other comprehensive income.

Income tax on the Group's result before taxes differs from the theoretic amount that would have been reported using a weighted average tax rate for the results in the consolidated companies as follows:

	Group			ompany
SEK 000s	2022	2021	2022	2021
Reported result before tax	483,675	370,130	552,479	88,192
Taxes according to weighted average tax rate 21.2% (20.8)	-102,539	-77,170	-	_
Taxes according to current tax rate 20.6% (20.6)		_	-113,811	-18,168
Tax effects of:				
Non-taxable revenue	21,779	6,388	1	414
Non-deductible expenses	-13,959	-7,929	-709	-294
Tax deductible items not expensed	1,291	704		_
Dividends	-	-	83,283	1,430
Use of loss carry-forwards not previously recognized	1,485	2,493	-	_
Activation of not previously activated loss carry-forwards	659	0	_	_
Adjustments relating to previous years	-205	196	11	10
TAX ON PROFIT FOR THE YEAR	-91,489	-75,318	-31,224	-16,608

Deferred tax claims and deferred tax liabilities relating to temporary differences and loss carry-forwards as follows:

	Group		Parent C	ompany
SEK 000s	2022	2021	2022	2021
Deferred tax claims				
Loss carry-forwards	15,641	14,864	-	-
Temporary differences in claims	90,816	81,899	2,574	1,670
TOTAL DEFERRED TAX CLAIMS	106,457	96,763	2,574	1,670
Deferred tax liabilities				
Temporary diffe- rencesin liabilities	95,331	83,603	-	-
Intangible fixed assets	175,956	142,176	-	-
TOTAL DEFERRED TAX LIABILITIES	271,287	225,779	-	-

Deferred tax claims relating to fiscal loss carry-forwards are presented only to the extent to which it is likely that the loss can be balanced against surplus in future taxation. Unused fiscal deficits totaled KSEK 174,860 (136,875) of which KSEK 84,757 (69,989) have been taken into account in deferred tax claims.

Deferred tax claims relating to temporary differences pertain mainly to tangible assets and capitalised endowment insurance policies.

Deferred tax liabilities relating to temporary differences pertain to untaxed reserves.

Group, SEK 000s	Deferred tax claims	Deferred tax liabilities
As per JANUARY 1, 2021	17 911	86 663
Changes in loss carry-forwards	-286	-
Changes in intangible fixed assets	-	108 656
Changes in temporary differences	79 138	30 460
TOTAL AS PER DECEMBER 31, 2021	96 763	225 779
Of which fall due in more than one year	86 342	190 769
As per JANUARY 1, 2022	96 763	225 779
Changes in loss carry-forwards	777	-
Changes in intangible fixed assets	-	33 780
Changes in temporary differences	8 917	11 728
TOTAL AS PER DECEMBER 31, 2022	106 457	271 287
Of which fall due in more than one year	96 041	225 551

NOTE 15: Participations in Group companies

			Parent Compa		Carrying a	nount
Company	Corp. ID no.	Reg. office	Shareholding	Kapitalandel, %	2022	202
Creuna AB (merged with Knowit Experience Stockholm AB in 2022))	556620-9671	Stockholm	100,000	100	-	11,81
Knowit AS	997 725 646	Oslo	6,000	100	186,700	186,70
Knowit Amende AS	991 513 833	Oslo	31,146	25	-	9,4
Zizr AS ¹⁾	922 796 556	Oslo	-	-	-	
Knowit Consulting Bergen AS	996 865 770	Bergen	-	_	-	
Knowit Dataess AS	945 865 318	Oslo	-	_	_	
Knowit Decision Oslo AS	986 011 080	Oslo	_		_	
Knowit Experience AS ²⁾	916 834 926	Bergen				
Knowit Experience Bergen AS	914 727 170	Bergen	-		-	
Knowit Experience Consulting AS	928 053 946	Oslo				
Knowit Experience CRM AS	320 033 340	0310				
(merged with Knowit Experience Oslo AS in 2022)	822 250 882	Bergen	-	-	-	
Knowit Experience Oslo AS	914 727 340	Oslo	-	-	-	
Knowit Insight Business Solutions AS	929 034 902	Oslo	-	-	-	
Knowit Insight AS 3)	919 074 469	Oslo	-	-	-	
Knowit Objectnet AS	980 713 520	Oslo	-	-	-	
Knowit Impact AS	925 033 448	Oslo	-	-	-	
Knowit Sør AS	993 075 841	Kristiansand	-	-	_	
Knowit Quality Management Oslo AS	998 295 831	Oslo	_	_	_	
Knowit Reaktor AS	974 849 856	Bergen	_		-	
Knowit Reaktor Solutions AS	911 954 656	Bergen			_	
Knowit Secure AS ⁴⁾	913 513 657	Oslo				
Knowit Solutions Norway AS	815 837 932	Oslo				
-	993 579 572	Oslo			-	
Knowit Stavanger AS						
Knowit Quest AS (merged with Metaforce AS)	922 941 734	Oslo	-	-	-	
(nowit Ascend AB (former Ascend AB)	556974-3320	Stockholm	83,330	100	179,833	
nowit Capacent AB	559251-3302	Stockholm	25,000	100	62,428	62,4
nowit Cloud AB	556891-0573	Malmö	50,000	100	32,238	12,9
Inowit Cloud & Architecture AB	556910-9068	Stockholm	5,000	100	36,864	21,4
Knowit Connectivity AB	556254-0673	Stockholm	20,000,000	100	1,492,883	1,471,1
Inowit Connectivity Group AB	559370-7713	Stockholm	100	100	100	
(nowit Core Syd AB	556943-4912	Malmö	1,000	100	147,215	31,7
Knowit Cybersecurity & Law AB (former Knowit Secure AB)	556866-3248	Stockholm	1,000	100	45,240	16,3
nowit Dalarna AB	556411-6985	Borlänge	2,000	100	2,739	2,
nowit Danmark Holding A/S	39005611	Copenhagen	500	100	187,029	185,4
1508.dk A/S	25645790	Copenhagen	-	-	-	
Knowit Consulting Services A/S	25795938	Copenhagen	-	-	-	
Knowit Experience Aarhus A/S	20309687	Aarhus	-	-	-	
Knowit Experience København A/S	39006065	Copenhagen	_	_	_	
Knowit Solutions Danmark A/S ⁵⁾	36501480	Copenhagen	_	_	_	
Miracle A/S 6)	25678990	Ballerup	_		_	
Miracle Development SRL	J22/2208/2006	lasi	_	_	_	
Inowit Dataunit AB	556436-6259	Stockholm	200,000	100	24,963	24,9
Knowit Dataunit AD	6012011626	Bremen	200,000	100	224,303	24,0
			4.000			
(nowit Decision AB	556313-5291	Karlstad	1,000	100	100	
Knowit Decision Göteborg AB merged with Knowit Decision AB in 2022) Knowit Decision Helikopter AB	556643-7892	Gothenburg	1,000	100	-	1
merged with Knowit Decision AB in 2022)	556524-1014	Stockholm	100,000	100	-	62,1
Cnowit Solutions Datalytics AB (former Knowit Decision Stockholm AB)	556568-9188	Karlstad	1,000	100	52,538	2,5
Knowit Defence Technology AB	559006-4589	Stockholm	1,000	100	100	1
Inowit Development AB	556531-0454	Stockholm	5,000	100	227,402	161,9
nowit Digital Management AB	559006-4571	Stockholm	1,000	100	42,375	1,5
inowit Experience All Rise AB nerged with Knowit Decision AB in 2022)	559015-7094	Stockholm	1,000	100	-	2,
nowit Experience CRM AB	559189-7680	Malmö	100	100	50	
Knowit Experience Göteborg AB	556879-4290	Gothenburg	100	100	36,530	36,
Cnowit Experience Hub AB	559376-9119	Gothenburg	100	100	100	
Knowit Experience Linköping AB	556908-2158	Linköping	50,000	100	3,027	3,0
Knowit Experience Malmö AB						
-	556587-2198	Malmö	205,000	100	95,375	95,3
(nowit Experience Norrland AB	559128-6934	Sundsvall	100	100	48,175	00
			100,000	100	99,840	99,1
nowit Experience Stockholm AB	556432-9679	Stockholm				,
(nowit Experience Stockholm AB (nowit Experience Sverige AB (nowit Experience Sync AB	556432-9679 559026-1987 559387-1626	Stockholm Gothenburg	100,000	100	50 100	

Knowit Amende AS owns 75.4%
 Knowit AS owns 81.2%
 Knowit AS owns 51%
 Knowit AS owns 94.9%
 Knowit Danmark Holding A/S owns 94%
 Knowit Danmark Holding A/S owns 91%

\rightarrow SUPPLEMENTARY INFORMATION AND NOTES

NOTE 15: continued

			Parent Compa		Carrying a	
Company	Corp. ID no.	Reg. office	Shareholding	Kapitalandel, %	2022	202
Knowit Group Functions AB	559320-9272	Stockholm	100	100	100	10
Knowit Gävleborg AB	556633-4305	Gävle	1,000	100	4,299	4,29
Knowit Göteborg Group AB	556277-9479	Gothenburg	750,000	100	702	70
Knowit Helsingborg AB	559331-1771	Helsingborg	100	100	100	10
Knowit HRM AB (merged with Knowit Decision AB in 2022)	556964-0963	Stockholm	1,000	100	-	5
Knowit Insight Accelerate AB	559274-3487	Stockholm	100	100	62,050	10
Knowit Insight Consulting AB	559251-3310	Stockholm	25,000	100	7,700	7,70
Knowit Insight Finance AB	559251-3294	Stockholm	25,000	100	45,800	45,80
Knowit Insight Group AB	556806-0460	Gothenburg	1,000	100	50	5
Knowit Insight Health AB	556666-4818	Linköping	1,000	100	33,241	33,24
Knowit Insight Organizing for Speed AB	556768-7859	Stockholm	3,000	100	1,625	10,62
Knowit Insight Syd AB	559182-5665	Malmö	100	100	50	5
Knowit Insight Väst AB	556914-5799	Gothenburg	100,000	100	1,690	1,69
Knowit Insight Öst AB	556831-5294	Linköping	1,000	100	100	10
Knowit Intressenter AB	559184-2447	Stockholm	98,595	100	1,010	465,71
Knowit Group Sverige AB	556544-6522	Stockholm	-		_	
Knowit Duplicera AB						
(merged with Knowit Group Sverige AB in 2022) Knowit Group Mitt AB	556805-8134	Stockholm	-	-	-	
(merged with Knowit Group Sverige AB in 2022) Knowit IS/IT Services AB	556551-4493	Stockholm	-	-	-	
(merged with Knowit Group Sverige AB in 2022) Knowit Netcom Consultants AB	556544-6225	Stockholm	-	-	-	
(merged with Knowit Group Sverige AB in 2022)	556359-1097	Stockholm	_	_	_	
Knowit & Precio Fishbone Public IT AB ⁷⁾	559309-6794	Stockholm	-	-	-	
Knowit Ionic AB (former Ionic AB)	559218-1696	Stockholm	500	100	33,826	
Knowit IT Strategy AB	556948-4388	Gothenburg	1,000	100	10,169	36,16
Knowit Jönköping AB	556568-2779	Jönköping	1,000	100	26,291	10,89
Knowit Karlstad AB	556515-8069	Karlstad	1,000	100	4,462	4,46
Knowit Mobile Stockholm AB						
(merged with Knowit Decision AB in 2022)	559128-7031	Stockholm	50,000	100	-	5
Knowit Mobile Syd AB (merged with Knowit Decision AB in 2022)	556710-2172	Staffanstorp	1,000	100	-	61
Knowit Norrland AB	556534-3174	Sundsvall	13,250	100	16,847	16,84
Knowit Oy	1053026-7	Helsinki	555	100	553,997	549,65
Knowit Cloud Partnerships Oy	1516651-3	Tampere	-	-	-	
Knowit Experience Oy	3094594-5	Helsinki	-	-	-	
Knowit Insight Oy (former Knowit Capacent Oy)	1972451-9	Helsinki	-	-	-	
Knowit Solutions Oy	3094596-1	Helsinki	-	-	-	
Knowit Solutions FLX (former Knowit Insight Oy)	3124858-6	Helsinki	-	-	-	
Marketing Clinic Oy	2012469-2	Helsinki	-	-	-	
Marketing Clinic Norway AS	994 633 066	Oslo	-	-	-	
Knowit Poland Sp. Z o.o	9511789996	Warsawa	12,512	100	253,394	251,42
Knowit Experience Poland Sp Z.o.o	5273025467	Warsawa	-	-	-	
Knowit Quality Services Syd AB	556943-4904	Malmö	910	91	71,165	33,89
Knowit Require AB (merged with Knowit Decision AB in 2022)	556793-9987	Stockholm	100,000	100	-	17,14
Knowit Secure Solutions AB	559404-6061	Stockholm	100	100	100	
Knowit Skåne AB (merged with Knowit Decision AB in 2022)	556943-4953	Malmö	1,000	100	-	5
Knowit Solutions CoCreate AB	556618-8602	Gothenburg	100,000	100	96,786	96,78
Knowit Solutions Linköping AB	556672-9488	Linköping	1,000	100	1,944	1,94
Knowit Solutions Stockholm AB	556911-6717	Stockholm	50,000	100	85	8
Knowit Solutions Sverige AB	559035-9179	Stockholm	100	100	100	10
Knowit Swedspot Connectivity AB	556880-0188	Trollhättan	500,000	100	99,710	
Knowit Syd Group AB	556640-6772	Malmö	1,670	100	2,247	2,24
Knowit Sydost AB	559320-9264	Stockholm	100	100	21,275	10
Knowit Systems Development Göteborg AB (merged with Knowit Decision AB in 2022)	556762-7129	Gothenburg	1,000	94		11
Knowit Technology Göteborg AB	559259-2256		1,000	100	100	10
Knowit Test Solutions AB	556779-8193	Gothenburg				
	000779-8193	Stockholm	1,000	100	36,844	23,36
Knowit Transformation Management AB (merged with Knowit Decision AB in 2022)	556930-5179	Stockholm	910	91	-	4,37
Knowit Uppsala AB	556736-0622	Uppsala	1,000	100	13,238	13,23
Knowit Uppsala Solutions AB (merged with Knowit Decision AB in 2022)	556645 4440	Uppealo	1 022	100		2.00
	556645-4442	Uppsala	1,833	100	-	2,28
	FF0000 F011	Örelere				
Knowit Örebro AB	556930-5211	Örebro	500	100	4,531	4,53
- · · · ·	556930-5211 556722-5049	Örebro Stockholm	500 100,000	100	4,531 3,768	4,53

7) Knowit Connectivity AB owns 37.5% and Knowit Group Sverige AB owns 37.5%

NOTE 15: continued

Parent Company, SEK 000s	2022	2021
Accumulated costs		
Opening balance	4,428,084	1,349,318
Acquisitions	318,984	3,085,879
Sales and liquidations	-49,020	-7,113
CLOSING BALANCE	4,698,048	4,428,084
Accumulated write-downs		
Opening balance	-284,334	-284,334
Impairment losses for the year	-	-
CLOSING BALANCE	-284,334	-284,334
TOTAL	4,413,714	4,143,750

NOTE 18:

Prepaid expenses and accrued income

	Gre	oup	Parent C	ompany
SEK 000s Note	2022	2021	2022	2021
Accrued income 19	61,171	29,732	-	-
Prepaid rent	-	-	12,063	5,463
Prepaid insurance	12,225	8,666	1,757	928
Prepaid licenses	16,769	4,120	5,222	69
Prepaid leasing	-	-	86	-
Other items	57,396	31,315	10,496	8,922
TOTAL	147,561	73,833	29,624	15,382

NOTE 16: Other long-term receivables

Group, SEK 000s	2022	2021
Deposits for rented premises	4,979	2,416
Other long-term receivables	3,807	3,359
TOTAL	8,786	5,775

NOTE 19: Contract balances

	G	oup	Parent Company		
SEK 000s Note	2022	2022 2021		2021	
Information on claims, contractua- lassets, and cont- ractual liabilities to clients					
Contractual assets	6,074	3,315	-	-	
Contractual liabilities 25	121,080	85,851	111	578	

NOTE 17: Accounts receivable

Group, SEK 000s	2022	2021
Accounts receivable have fallen due as follows		
Accounts receivable not overdue	1,114,194	906,821
Accounts receivable overdue 1-15 days	166,088	132,813
Accounts receivable overdue 16-45 days	28,311	22,333
Accounts receivable overdue more than 45 days	27,524	11,332
Reserve for impaired receivables	-5,527	-6,706
TOTAL	1,330,590	1,066,593
Change in reserve for impaired receivables		
Opening balance	-6,706	-3,294
Realized bad debt losses	1,201	2,214
Provision for expected bad debt losses	-3,512	-5,626
Reversal of reserve for impaired receivables	3,490	-
TOTAL	-5,527	-6,706

Knowit's clients consist mainly of larger companies and organizations with strong financial position, which is the reason that the credit risk is assessed to be low. See Note 2. The contractual assets include items where work has been done, but where some criteria in the client contract are yet to be fulfilled before invoicing. Accrued income, see Note 18, includes revenue that has not yet been invoiced, but where nothing remains to be delivered to the client.

Contractual liabilities refer to prepaid revenue for which the revenue is reported over time, SEK 121.1 (85.9) million that are reported as contractual liabilities at the end of the period will be reported as revenue in 2023. Contractual liabilities reported at the end of the period last year have been recognized as revenue during 2022.

NOTE 20: Equity

Group / Parent Company, SEK 000s	2022	2021
Share capital		
Opening balance	27,409	19,652
New share issue in connection with acquisitions	-	7,757
CLOSING BALANCE, SHARE CAPITAL	27,409	27,409

As per December 31, 2022, there were 27,408,600 shares with a quota value of SEK 1, all shares carry the same number of votes and the same right to dividend.

OTHER CAPITAL PROVIDED

Other capital provided, totaling KSEK 2,848,401 (2,848,401) refers to equity contributed by owners.

Group, SEK 000s	2022	2021
Translation reserve		
Opening balance	-24,969	-79,272
Translation reserve for the year	103,360	54,303
CLOSING BALANCE, TRANSLATION RESERVE	78,391	-24,969
Hedging reserves		
Opening balance,	8,455	4,676
Cash flow hedges		
Reported directly in other comprehensive income	40,822	3,779
CLOSING BALANCE, HEDGING RESERVE	49,277	8,455
Total reserves		
Opening balance	-16,514	-74,596
Translation reserve	103,360	54,303
Hedging reserve	40,822	3,779
CLOSING BALANCE, RESERVES	127,668	-16,514

TRANSLATION RESERVE

The translation reserve encompasses all the exchange rate differences that arise upon translation of financial reports from foreign operations which report in a currency other than Swedish kronor.

HEDGING RESERVE

The hedging reserve encompasses the effective share of the accumulated net change to the fair value of a cash flow instrument attributable to hedging transactions that have not yet occurred.

ACCRUED EARNINGS INCLUDING PROFIT FOR THE YEAR

The accrued earnings including profit for the year, KSEK 1,182,972 (1,025,343) encompass earned profits in the Parent Company and its subsidiaries. Past provisions to the statutory reserve are included in this equity item.

NOTE 21: Long-term liabilities

	Group Parent Compar				
SEK 000s	2022	2021	2022	2021	
Interest-bearing long-term liabilities					
Bank loans	700,000	-	700,000	-	
Lease liabilities	490,004	149,408	-	-	
Future contingent considerations	91,743	129,991	-	-	
Future considerations	21,560	6,907	-	-	
Liabilities Group companies	-	-	738,300	759,296	
Long-term provisions					
Deferred taxes	271,287	225,779	-	-	
Future contingent considerations	-	-	69,436	122,832	
Future considerations	-	-	2,516	1,862	
Other long-term provisions	5,186	4,135	12,164	8,576	
TOTAL	1,579,780	516,220	1,522,416	892,566	

All long-term liabilities fall due within five years.

Upon acquisition of start-up companies with noncontrolling interest, the consideration is usually paid 3-5 years after the company is founded, when all shares are acquired. Consideration is paid in 2-3 instalments, all based on the profit outcome.

In other acquisitions from external parties, a fixed consideration is usually paid at the time of acquisition, followed by additional consideration based on actual profit outcome.

During the year, Knowit has fulfilled the covenants made by the bank in connection with loans.

NOTE 22: Financial assets and liabilities at fair value and categorization

REPORTED VALUE IN THE BALANCE SHEET AND FAIR VALUE:

Group 2022, SEK 000s	Note	Financial assetsvalued at amortized cost	Financial assets valued at fair value through profit or loss	Other financial liabilities	Financial liabilities valued at fair value through profit or loss	CARRYING Amount	FAIR VALUE
Assets in balance sheet							
Other long-term securities		_	2,570	-	-	2,570	2,570
Other long-term receivables	16	8,786	-	-	-	8,786	8,786
Accounts receivable and other receivables		1,488,977,	-	-	-	1,488,977	1,488,977
Cash and cash equivalents		497,651	-	_	_	497,651	497,651
TOTAL		1,995,414	2,570	-	-	1,997,984	1,997,984
Liabilities in balance sheet							
Future contingent considerations	23	_	-	_	196,450	196,450	196,450
Future considerations	23	_	-	54,619	-	54,619	54,619
Other interest-bearing liabilities	23	_	-	1,343,665	_	1,343,665	1,343,665
Accounts payable		-	-	400,226	-	400,226	400,226
Other liabilities		-	-	488,442	-	488,442	488,442
TOTAL		-	-	2,286,952	196,450	2,483,402	2,483,402
Group 2021, SEK 000s							
Assets in balance sheet							
Other long-term securities		_	11,253	-	-	11,253	11,253
Other long-term receivables	16	5,775	-	-	-	5,775	5,775
Accounts receivable and other receivables		1,166,161	-	-	-	1,166,161	1,166,161
Liquid assets		851,381	-	-	-	851,381	851,381
TOTAL		2,023,317	11,253	-	-	2,034,570	2,034,570
Liabilities in balance sheet							
Future contingent considerations	23	-	-	-	177,691	177,691	177,691
Future considerations	23	-	-	12,286	-	12,286	12,286
Liabilities to sellers	23	-	-	702,962	-	702,962	702,962
Other interest-bearing liabilities		-	-	325,318	-	325,318	325,318
Accounts payable		_	-	444,016	-	444,016	444,016
TOTAL		-	-	1,484,582	177,691	1,662,273	1,662,273

FAIR VALUE BASED ON CATEGORIZATION

Group 2022, SEK 000s	Level 1	Level 2	Level 3	FAIR VALUE
Assets in balance sheet				
Future additional/contingent considerations	-	2,570	-	2,570
TOTAL	_	2,570	_	2,570
Liabilities in balance sheet				
Other long-term securities	-	-	251,069	251,069
TOTAL	-	-	251,069	251,069
Group 2021, SEK 000s				
Assets in balance sheet				
Future additional/contingent considerations	_	11,253	_	11,253
TOTAL	-	11,253	-	11,253
Liabilities in balance sheet				
Other long-term securities	-	_	189,977	189,977
TOTAL	-	-	189,977	189,977

NOTE 22: continued

FAIR VALUE OF ASSETS AND LIABILITIES

Fair values are described below, the amounts shown are unrealized and will not necessarily be realized.

Accounts receivable and accounts payable

Because of the short duration of accounts receivable and accounts payable, the reported value is assumed to be the best approximation of fair value.

Interest-bearing liabilities

Financial liabilities have a floating interest rate, which is why carrying amounts are assessed to be consistent with fair value.

Future considerations

Fair value of future considerations is based on an assessment of expected earnings development. Changes are reported in equity. Fair value of additional considerations is based on an assessment of expected profit development. The change is reported against financial items in the income statement.

Fair value hierarchy

Financial instruments are valued at fair value per valuation method, the different levels are defined as follows:

LEVEL 1: Financial instruments where fair value is determined based on prices listed on an active market for the same instruments. *Examples of such instruments are:* Shares, bonds, standardized options which are actively traded, etc.

LEVEL 2: Financial instruments where fair value is determined, either directly (based on prices) or indirectly (deduced from prices), using observable market data not included in level 1. *Examples of such instruments are:* Bonds and certain OTC-traded products such as interest swaps, exchange futures, interest corridors, shares, etc.

LEVEL 3: Financial instruments where fair value is detemined using input not observable on the market. Examples of such instruments are: Additional consideration, unlisted shares, options where the underlying instruments are not priced on an active market.

NOTE 23: Interest-bearing liabilities

Group, SEK 000s	Interest rate, % on balance sheet day	2022	2021
Long-term liabilities			
Lease liabilities	2.78 / 1.86	490,004	149,408
Loans, SEK	4.14 / 1.31	700,000	-
Other interest-bearing liabilities	4.14 / 1.31	113,303	136,898
TOTAL		1,303,307	286,306
Current liabilities			
Lease liabilities	2.78 / 1.86	153,661	98,230
Loans, SEK	4.14 / 1.31	-	455,325
Future considerations	4.14 / 1.31	137,766	53,079
TOTAL		291,427	606,633
TOTAL INTEREST-BEARING LIABILI	TIES	1,594,734	892,940

LEASE LIABILITIES

Lease liabilities, including fees, pertaining mainly to rented premises and car leases, fall due for payment as follows:

		2022			2021	
Group, SEK 000s	Minimum lease fees	Interest	Principal	Minimum lease fees	Interest	Principal
Within one year	171,739	18,078	153,661	102,840	4,611	98,230
Between one and five years	529,802	39,798	490,004	153,704	4,296	149,408

OTHER INTEREST-BEARING LIABILITIES

Other interest-bearing liabilities pertain to future expected considerations for agreed-upon acquisitions of noncont-rolling interests in subsidiaries.

	2022 2021		I	
Group, SEK 000s	Interest	Principal	Interest	Principal
Within one year	6,116	137,766	1,974	53,079
Between one and five years	4,519	113,303	1,581	136,898

LIABILITIES TO CREDIT INSTITUTION

The interest rate on the loans in SEK is floating. Loans are amortized as follows:

	2022		202	21
Group, SEK 000s	Interest	Principal	Interest	Principal
Within one year	28,975	-	4,936	455,325
Between one and five years	95,525	700,000	-	-

NOTE 24: Other liabilities

	Group		Parent C	ompany
SEK 000s	2022	2021	2022	2021
Value-added tax	163,931	124,306	-	-
Taxes and social security expenses	170,506	125,429	2,180	2,234
Other non-interest bearing liabilities	44,886	43,840	66,959	319
TOTAL	379,323	293,575	69,139	2,553

NOTE 25: Accrued expenses and deferred income

	Group		Parent C	ompany
SEK 000s	2022	2021	2022	2021
Accrued salaries	337,650	264,679	12,667	14,098
Accrued social security expenses	141,918	153,030	6,152	6,806
Deferred income	122,077	86,642	111	578
Other items	36,402	46,487	6,248	3,914
TOTAL	638,047	550,838	25,178	25,396

NOTE 26: Information regarding cash flow analysis

	Group Parent Company			
SEK 000s	2022	2021	2022	2021
Interest and dividends received and interest paid				
Interest received	8,197	258	36,424	4,290
Dividends received	-	-	404,282	6,942
Interest paid	-23,122	-5,685	-53,312	-6,447
TOTAL	-14,925	-5,427	387,394	4,785
Group, SEK 000s	Liabilities to credit institutions	Financial lease liabilities	Future consideration	Total
Cash flow in changes of interest-bearing liabilities				
Opening balance JAN 1, 2021	155,324	198,658	250,291	604,273
Cash flow	300,000	-106,335	-13,500	180,165
Items not affecting cash flow				
Change in deferred loan costs	-	155,341	-46,814	108,527
Exchange rate differences	-	-26	-	-26
TOTAL INTEREST- BEARING LIABILITIES DEC 31, 2021	455,324	247,638	189,977	892,939
Opening balance JAN 1, 2022	455,324	247,638	189,977	892,939
Cash flow	244,676	-372,300	-71,205	-198,829
Items not affecting cash flow				
Change in deferred loan costs	-	767,636	131,241	898,877
Exchange rate differences	_	691	1,056	1,747
TOTAL INTEREST- BEARING LIABILITIES DEC 31, 2022	700,000	643,665	251,069	1,594,734

NOTE 27: Pledged assets and contingent liabilities

	Group		Parent Company	
SEK 000s	2022	2021	2022	2021
Pledged assets for credit institutions				
Pledged accounts receivable	None	None	None	None
Chattel mortgages	None	None	None	None
Equipment used under financial leases	35,544	34,904	Inga	None
TOTAL	35,544	34,904	None	None
Contingent liabilities				
Capital adequacy guarantee	None	None	None	None
Guarantee	50,707	11,470	50,707	5,640
TOTAL	50,707	11,470	50,707	5,640

NOTE 28: Earnings per share

Group / Parent Company, SEK 000s	2022	2021
Profit for the year attributable to shareholders of the Parent Company		
Before dilution	14.05	12.26
Diluted	14.05	12.26
Average number of shares, 000s		
Before dilution	27,409	23,702
Diluted	27,409	23,702
Number of shares on balance sheet date, 000s		
Before dilution	27,409	27,409
Diluted	27,409	27,409

NOTE 29: Transactions with related parties

A company affiliated with the CEO of Knowit Experience Malmö AB, Axel Holtås, and the Chairman of the Board of Knowit Core Syd AB, Jonas Svensson, has during 2022 received compensation for office maintenance services, totaling KSEK 1,239 (806).

A company affiliated with the CEO of Knowit Insight Väst AB, Teresa Thorsson, has during 2022 received compensation for education and analyses totaling KSEK 23 (34).

A company affiliated with the CEO of Knowit Swedspot Connectivity AB, Niclas Lindmark, has during 2022 received compensation for consultancy services performed totaling KSEK 133 (0).

NOTE 30: Appropriations and untaxed reserves

Parent Company, SEK 000s	2022	2021
Appropriations		
Provision to tax allocation reserve	-31,000	-13,100
Difference between book depreciation and depreciation according to plan	-610	822
TOTAL	-31,610	-12,278
Untaxed reserves		
Tax allocation reserve	154,200	123,200
Accelerated depreciation	5,385	4,775
TOTAL	159,585	127,975

NOTE 31: Acquired businesses

On January 3, 2022, Knowit AB acquired 80 percent of the shares in the design agency 1508.dk and 100 percent of the tech agency Strømlin. The remaining 20 percent of 1508.dk will be acquired during 2023 and 2024. The new operations, combined with the existing operations of the business area Experience in Copenhagen and Aarhus, are expected to become a strong platform for continued growth on the Danish market. The companies' offers supplement each other well and reinforce Knowit Experience's offer in mainly design, consultancy, and tech.

On June 1, 2022, Knowit acquired 100 percent of the shares in Swedspot, a company with a strong focus on software development for the car industry. The company has around 40 employees and is based in Gothenburg and Trollhättan. Swedspot will be an important addition to Knowit's business area Connectivity, and supplements existing offers within embedded systems with both broad competence in software development and a unique platform with smart services for connected vehicles.

On July 1, 2022, Knowit acquired 90 percent of the shares in Miracle AS, a Danish consultancy company with well-positioned operations in system development and advisory activities, and high competence in open source platforms. The company has around 130 employees with offices in Copenhagen, Aarhus, and Aalborg. Miracle is part of the business area Knowit Solutions, which means that Knowit will get a significantly stronger position on the Danish market.

On July 1, 2022, Knowit acquired 100 percent of the shares in the holding company Marketing Clinic Oy, which has around 60 strategy consultants, primarily in Helsinki. The company also has operations in Oslo and Stockholm. Through the acquisition, Knowit strengthens its position in management consulting on the Finnish market and broadens its offer in growth and business development strategies. Marketing Clinic is part of the business area Knowit Insight.

On October 1, 2022, Knowit acquired 100 percent of Ascend AB and its sister company lonic AB, with a total of around 60 employees in Stockholm. The companies are part of the business area Insight and strengthen the existing management offer, primarily in the areas Business Technology and Commercial Excellence.

The acquisition analyses remain preliminary and assets and liabilities that are discounted are reported based on estimated outcomes.

The assets and liabilities reported below are preliminary fair value of identifiable acquired assets and adopted liabilities.

SEK 000s	2022	2021
Considerations		
Liquid assets	724,197	640,674
Newly issued shares in Knowit AB	-	1,601,525
New share issue in acquired operations	-	25,324
Liabilities to sellers 1)	49,207	-
Provisions for contingent consideration ²⁾	88,796	13,278
TOTAL CONSIDERATION	862,200	2,280 801

 Liabilities to sellers regarding 1508.dk A/S of KSEK 6,193 Strømlin ApS of KSEK 14,715 and Miracle A/S of KSEK 28,299 are regulated during the second quarter of 2022.

2) Contingent consideration for 1508.dk A/S is KSEK 17,221 and will be paid in 2023 and 2024, based on the company's results. Contingent consideration for Swedspot AB is KSEK 13,800 and will be paid in 2023, based on the company's results. Further contingent consideration will be paid out when the company achieves a specific EBITA level, but not later than 2025. The sums that are discounted are reported as estimated outcomes. Contingent consideration in 2022. Additional consideration will be paid based on the company's results in 2022. Additional consideration will be paid based on the company's results in 2022. Additional consideration soft AB and lonic AB is KSEK 35,000 and 15,000, respectively, and will be paid out based on the companies' results in 2022. Additional considerations for Ascend AB and lonic AB is KSEK 35,000 and 15,000, respectively, and will be paid out based on the companies' results in 2022.

SEK 000s	2022	2021
Assets and liabilities reported as a result of the acquisitions		
Intangible assets	275,898	604,923
Tangible assets and other non-current assets	2,493	16,796
Deferred tax assets	-	5,724
Other short-term receivables	148,154	501,020
Liquid assets	87,338	260,010
Long-term liabilities	12,698	-
Interest-bearing provisions	-	16,976
Deferred tax liabilities	58,882	149,697
Financial liabilities	-	416,244
Other short-term liabilities	119,149	402,151
Non-controlling interests' shares in net assets	4,935	-
ACQUIRED IDENTIFIABLE NET ASSETS	318,219	403,405
Goodwill	543,981	1,877,396
ACQUIRED NET ASSETS	862,200	2,280,801

The goodwill arising from the acquisitions is attributable to the strong profitability of the companies and the synergy effects expected from the mergers of the operations of these companies and Knowit.

1508.dk A/S has contributed with revenue of KSEK 53,249 and EBITA of KSEK 11,521 in January-December 2022. Strømlin ApS was integrated into Knowit's operations during the second quarter, making it impossible to determine how much the company contributed to revenue and EBITA during the period January-December 2022.

Swedspot AB has contributed with revenue of KSEK 28,256 and EBITA of KSEK 4,439 in June-December 2022.

Miracle A/S and Marketing Clinic Oy have contributed with revenue of KSEK 153,596 and KSEK 34,892, respectively, and EBITA of KSEK -6,066 and -13,060 respectively, in July-December 2022.

Ascend AB and Ionic AB have contributed with revenue of KSEK 29,950 and KSEK 6,261 respectively, and EBITA of KSEK 5,792 and 1,262 respectively, in October-December 2022.

NOTE 31: continued

SEK 000s	2022	2021
Cash flow for acquisition of subsidiaries, less acquired liquid assets		
Cash consideration	-724,197	-640,674
Acquired liquid assets	87,338	259,658
IMPACT ON THE GROUP'S LIQUID ASSETS	-636,859	-381,016
Additional consideration paid for acquisitions in previous years	-116,033	-22,956
IMPACT ON THE GROUP'S LIQUID ASSETS FROM ACQUISITIONS OF BUSINESSES	-752,892	-403,972

The acquisition-related costs are included in EBITA in the income statement and in the operating activities in the cash flow analysis. If all acquisitions in 2022 had been performed on January 1, 2022, the Group would, pro forma for revenue and EBITA, have totaled KSEK 7,171,994 and KSEK 633,631 respectively, for the year.

NOTE 32: Leasing

The Group's leasing contracts mainly encompass assets like offices and vehicles. The office facilities held by the Group are rented on market terms. No leasing contracts include covenants or other limitations, aside from collateral in the form of the leased asset.

Group, SEK 000s	2022	2021
Right-of-use assets		
Opening acquisition value	472,935	334,510
Through acquisition of Group companies	6,680	129,109
Acquisitions	517,114	47,359
Disposals/sales	-24,735	-38,236
Translation differences	7,680	193
ACQUISITION VALUE CARRIED FORWARD	979,674	472,935
Opening depreciation	-216,092	-126,469
Disposals/sales	13,270	16,775
Depreciation for the year	-128,680	-106,336
Translation differences	-3,435	-62
ACCUMULATED DEPRECIATION CARRIED FORWARD	-334,937	-216,092
CARRYING AMOUNT	644,737	256,843

Of the carrying amount, SEK 616.3 (228.7) million pertains to offices and SEK 28.5 (28.1) million to vehicles.

Group, SEK 000s	2022	2021
Leasing liabilities		
Long-term lease liabilities	490,004	149,408
Short-term lease liabilities	153,661	98,230
TOTAL	643,665	247,638

For analysis of maturity terms, see Note 23 Interest-bearing liabilities.

Group, SEK 000s	2022	2021
Amounts recognized in the result		
Depreciation, vehicles	-6,606	-6,456
Depreciation, offices	-122,074	-99,880
Interest on lease liabilities	-12,369	-5,552
Costs for short-term lease	-779	-866
Costs for lease of low value, excluding short-term lease	-2,014	-2,309
TOTAL	-143,842	-115,063

All variable leasing fees are included in the valuation of the leasing liabilities.

Group, SEK 000s	2022	2021
Sums recognized in the cash flow report		
Total cash flows attributable to leasing contracts	-372,300	-106,335
TOTAL	-372,300	-106,335

NOTE 33: Proposed disposition of earnings

Parent Company, SEK 000s

At the disposal of the AGM	
Share premium reserve	2 725 103 117
Retained earnings after dividend	-359 998 456
Profit for the year	521 254 673
TOTAL	2 886 359 334
The Board of Directors proposes	
that the funds be treated as follows:	
that the funds be treated as follows: To the shareholders, a dividend of SEK 7.50 per share	205 564 500
To the shareholders, a dividend	205 564 500 2 680 794 834
To the shareholders, a dividend of SEK 7.50 per share	

The Board proposes a dividend of SEK 7.50 (7.00) per share, equaling a total of SEK 205,564,500 (191,860,200), to be paid out on two occasions, in line with the process last year. Liabilities for dividends are recognized following the decision of the AGM.

NOTE 34: Events after the end of the financial year

No significant events have occurred after the end of the financial year.

NOTE 35: Alternative performance measures

Alternative performance measures are used to aid both investors and the management team to analyze the Group's operations, for instance in following up the long-term financial targets. The alternative performance measures are considered to be a complement to the financial reporting prepared in accordance with IFRS. 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 debt relative to EBITDA should not exceed two multiples over time. We also monitor capital employed, as it is an important aspect of the working capital turnover. Knowit's alternative performance measures are EBITDA profit, EBITA profit, adjusted EBITA profit, EBITA margin, adjusted EBITA margin, net debt, average equity, return on equity, capital employed, and return on capital employed. For more information on our long-term financial targets and definitions of performance measures, see pages 12 and 110.

Certification

The Board of Directors and the CEO certify that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and provide a true and fair view of the Group's financial position and results of operations. The Annual Report has been prepared in accordance with generally accepted accounting principles and provides a true and fair view of the Parent Company's financial position and results of operations.

The Directors' Report for the Group and the Parent Company provides a true and fair overview of the operations, financial position and results of the Group and the Parent Company and describes the substantial risks and uncertainties faced by the Parent Company and companies in the Group.

The Annual Report and consolidated financial statements have been approved for release by the Board of Directors on April 6, 2023.

The income statements and balance sheets of the Group and the Parent Company are subject to the approval of the Annual General Meeting on May 3, 2023.



HELENA ARVIDSSON ÄLGNE Authorized Public Accountant Auditor-in-Charge

Auditor's report

To the general meeting of the shareholders of Knowit AB (publ), corp. id 556391-0354

Report on the annual accounts and consolidated accounts

OPINIONS

We have audited the annual accounts and consolidated accounts of Knowit AB (publ) for the year 2022, except for the corporate governance statement on pages 56-103. The annual accounts and consolidated accounts of the company are included on pages 64-67 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 64-67. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group. Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of goodwill in the Group and participation in Group companies for the Parent company

See disclosure 10 and accounting principles on page 89 in the annual account and consolidated accounts for detailed information and description of the matter.

DESCRIPTION OF KEY AUDIT MATTER

The carrying value of goodwill in the Group is SEK 3 755 million per 31 December 2022, which represents 52 percent of total assets. At least annually, goodwill shall be subject to impairment testing which is both complex and involves significant elements of judgement from Group management.

According to current regulations, the prescribed method for carrying out impairment tests involves management making forecasts for how internal as well as external conditions and plans may impact the future of the organisation. Examples of such forecasts include future cash in- and outflows, which in turn require assumptions to be made about future market conditions.

Another important assumption to evaluate is which discount rate to use in order to correctly reflect the time value of money of forecast future cash in-flows, which carry a certain level of risk. The carrying amount of participation in Group companies in the Parent company is SEK 4 414 million per 31 December 2022, which represent 64 percent of total assets. In the case of the participations equity is below the value of the participation, an impairment test is performed.

RESPONSE IN THE AUDIT

We have inspected the company's impairment testing in order to assess whether it is in line with the prescribed methodology. Furthermore, through review of management's written plans and documentation, we have assessed the reasonableness of future cash flows and the assumed discount rate and growth rate. We have conducted discussions with Company management and evaluated previous year's estimates compared to actual outcomes.

A critical part of our work has also been evaluation of the sensitivity analysis performed by management that shows how changes in the assumptions can affect the overall valuation and performance of our own sensitivity analysis.

We have also considered the Annual Report disclosures for completeness and assessed whether they are in line with the assumptions used by Company management in their impairment testing and whether the information is sufficient to provide understanding of management's judgements.



Revenue recognition

See disclosure 3, 4 and accounting principles on page 78 in the annual account and consolidated accounts for detailed information and description of the matter.

DESCRIPTION OF KEY AUDIT MATTER

Sales comprise mainly consultancy and operating services. For services that are invoiced as expenses are incurred, which make up the majority of the Group's income, uninvoiced work is recognised as sales in the period in which the work was performed.

Part of the Group's revenue are derived from projects where the Group has an obligation to perform the projects to a fixed price. Revenues and costs for fixed price contacts are recognized successively as the project progresses in accordance with the stage of completion, which is calculated on the basis of accumulated expenses in relation to estimated accumulated project expenses upon completion. Anticipated losses are immediately recognized as a cost. Fixed-price projects total approximately 11 percent of the Group's revenue.

Accounting of fixed-price engagements is therefore based on estimation of the total project income and expenditure in relation to the project's completion. Consequently, changes in the underlying assumptions can significantly affect the the income and result for the period. Unforeseeable expenses may be included in these assumptions in order to take into consideration possible risks or disputed claims, ie uncertain items. The Group regularly evaluates these uncertain items for each contract agreement period and adjusts its calculations where required. This area, therefore, involves a certain level of judgement which is in turn important to the Group's accounting of income and profits. These judgements relate to income forecasts, accounting based on level of completion of projects and evaluating unforeseeable expenses.

RESPONSE IN THE AUDIT

We have developed an understanding of and evaluated management's project review routines, including the process of identification of loss-making projects and/or highrisk projects, as well as the income and costs estimation process. We have sample-tested projects for evaluation and tested the most significant areas of judgement. The sample comprises primarily larger projects and projects wherein risks have been identified. For these sampled projects we have:

- Challenged judgements made by management, including their estimated forecasts and how they have considered unforeseeable expenses
- Evaluated whether risks and opportunities have been reflected in a balanced manner in the project valuations, and
- Evaluated loss-making contracts and whether the reserve for losses reflects the risks connected with the project, and challenged management's conside rations of these areas of judgement.

We have also assessed the completeness of the disclosures in the Annual Report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-55 and 109-116. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.



AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- · Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

 Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

OPINIONS

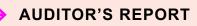
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Knowit AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.



RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Knowit AB (publ) for year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Knowit AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007: 528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out accoding to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

AUDITOR'S REPORT

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 64-67 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Knowit AB (publ) by the general meeting of the shareholders on the 2 May 2022. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2018.

STOCKHOLM APRIL 6, 2023 KPMG AB

HELENA ARVIDSSON ÄLGNE

Authorized Public Accountant

Information about the AGM

Notice

Notice of the Annual General Meeting is published in Post- och Inrikes Tidningar and on the Company's website.That notice has been published is announced in Svenska Dagbladet.

Date

The AGM will take place on Wednesday, May 3, 2023, at 5 PM. Registration for the AGM will begin at 4.30 PM.

Location

Knowit AB's offices, Sveavägen 20, Stockholm.

Right to participate

För att äga rösträtt på årsstämman måste aktieägaren vara:

be recorded in the register of shareholders, and have notified the Company.

Registration in the register of shareholders

To have the right to participate in the AGM, shareholders whose shares are registered in the name of a trustee must, aside from registering for the AGM, temporarily re-register the shares in their own name, so they are included in the register of shareholders as of April 24, 2023. Such registration can be temporary (voting right registration) and must be requested from the trustee well ahead of time. Voting right registrations made no later than April 26, 2023, will be taken into account in the register of shareholders.

Notice to the Company

Notice of participation must have been received by the Company at the address Knowit AB (publ), Box 3383, 103 68 Stockholm or by phone (+46(0)87006600) or by e-mail info@knowit.se, no later than Wednesday, April 26, 2023 at 4 PM. The notice must contain name, address, personal identification number, and registered shareholdings.

Financial calendar

INTERIM REPORT JANUARY – MARCH 2023 May 3, 2023, 7:30 AM

AGM 2023 May 3, 2023, 7:00 PM

INTERIM REPORT JANUARY – JUNE 2023 July 20, 2023, 7:30 AM

INTERIM REPORT JANUARY – SEPTEMBER 2023 October 25, 2023, 7:30 AM

YEAR-END REPORT 2024 February 8, 2024, 7:30 AM

Definitions

EBITA PROFIT

Profit before amortization of intangible noncurrent assets (447.1 + 149.3 = SEK 297.8 million). Makes it possible to compare the profit at an operative cash flowgenerating level.

EBITA MARGIN

Profit before amortization of intangible noncurrent assets (EBITA) in relation to net sales for the period (297.8 / 6,833.7 = 8.7%). Is used to analyze the profit at an operative cash flow-generating level in relation to sales.

OPERATING RESULT

Profit before financial items (EBIT). Is used to analyze the profit excluding financial expenses, i.e., irrespective of liabilities.

PROFIT MARGIN

Profit after financial items expressed as a percentage of sales (483.7 / 6,833.7 = 7.1%). Used to analyze the profit excluding financial expenses, i.e., irrespective of liabilities, in relation to sales.

EQUITY/ASSETS RATIO

Equity as a percentage of total assets (4,207.6 / 7,605.6 = 55.3%). Is used to show the proportion of assets financed through equity.

AVERAGE EQUITY

The average of the period's opening equity balance and the period's closing equity balance ((3,892.4 + 4,207.6)) / 2 = SEK 4,050.0 million). Is used as a basis for evening out the calculation of return on equity.

CAPITAL EMPLOYED

Equity plus interest-bearing liabilities (4,207.6 + 1,303.3 + 291.4 = SEK 5,802.4 million). Is used to show the portion of the Company's assets that is financed through equity and other interest-bearing capital.

RETURN ON EQUITY

Profit after full tax as a percentage of average equity including non-controlling interests (392.2 / 4,050.0 = 9.7%). Is used to show how well the Company is using its equity.

RETURN ON CAPITAL EMPLOYED

Profit after financial items plus financial expenses expressed as a percentage of average capital employed ((483.7 + 58.4) / ((5,802.4 + 4,785.3) / 2) = 10.2 %). Is used to show how well the Company is using its capital.

NET CASH AND CASH EQUIVALENTS

Cash and bank balances plus short-term investments less interest-bearing liabilities (497.6 - 1,303.3 - 291.4 = SEK -1,097.1 million). Is used to show the Company's ability to pay its interest-bearing liabilities.

ACID TEST RATIO

Current assets in relation to current short-term liabilities (2,134.2 / 1,818.1 = 1.2 multiples). Is used to show the Company's short-term solvency.

NET DEBT

Interest-bearing liabilities less financial interest-bearing assets (1,303.3 + 291.4 - 497.7 = SEK 1,097.0 million). Is used to show the Company's indebtedness.

NET DEBT/EQUITY RATIO

Interest-bearing liabilities less financial interest-bearing assets in relation to equity (1,097.0 / 4,207.6 = 0.3 multiples). Is used to show the Company's indebtedness.

RETURN ON TOTAL CAPITAL

Profit after financial items plus financial expenses expressed as a percentage of average total capital ((483,7 + 54,4) / ((7 605,6 + 6 335,4) / 2) = 7,8%). Is used to show how well the Company is investing its capital.

EARNINGS PER SHARE

Profit for the year after tax attributable to the Parent Company's shareholders in relation to the weighted number of shares (385.0 / 27.4 = SEK 14.1). Is used to give an indication of the share value.

EQUITY PER SHARE

Equity attributable to the Parent Company's shareholders in relation to the number of shares on the balance sheet date (4,186.5 / 27.4 = SEK 152.8). Is used to give an indication of the share value.

P/E RATIO

Share price on the balance sheet date in relation to earnings per share. Is used to relate the earnings to the price per share.

AVERAGE NUMBER OF EMPLOYEES

Average number of employees during the year (3,877). Is used to show the employees' work volume during the year.

NET SALES PER EMPLOYEE

Net sales in relation to average number of employees (6,833.7 / 3,877 = SEK 1.8 million). Is used to show the sales generated by an average employee.

EARNINGS AFTER FINANCIAL NET PER EMPLOYEE

Earnings after financial net divided by average number of employees (483.7 / 3,877 = SEK 0.1 million). Is used to show the earnings, less tax effects, generated by an average employee.

VALUE ADDED PER EMPLOYEE

Operating profit plus payroll expenses, including payroll overhead, in relation to the average number of employees ((447.1 + 3,806.2) / 3.877 = SEK 1.1 million). Is used to show the value generated by an average employee.

BILLING RATIO

Number of hours invoiced in relation to available hours based on normal working hours less vacation. Is used to show the percentage of available hours that is billed.

The EU's Taxonomy regulation

KNOWIT WAS ALREADY reporting in accordance with the taxonomy regulation in 2021. During 2022, Knowit initiated a process to refine its methods and build knowledge throughout the company on the criteria of the taxonomy. This was done to have in place a process to identify and report not only its taxonomy eligible activities, but also to create understanding and report on activities that are taxonomy aligned in relation to two environmental targets related to climate mitigation and climate adaptation.

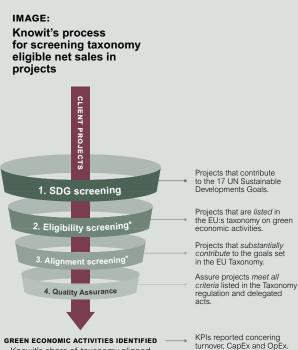
The assessment of activities to determine eligibility was done based on the activities as defined in the taxonomy, and net turnover was measured per project with activities determined to be eligible. Information on active projects was gathered in early October from Knowit's ERP system and a total of 90 percent of net turnover was analyzed, in close cooperation with project leaders.

Knowit's process was initially based on an early understanding and interpretation of our operations as enabling the transition, throughout several sectors. Therefore, the initial decision was made to screen our operations based on all activities described in the taxonomy. However, the new interpretation directives released at the start of the year were stricter, and the decision was made to report net turnover in the activities 1) in our own sector Information and communication, and based on an enabling perspective relative to the three main activities (Computer programming, consultancy and related activities, Professional services related to energy performance of buil-

1) See Taxonomy table 1 net turnover

2) See Taxonomy table 1 net turnover 37 See Taxonomy table 1 net turnover

4) See Taxonomy table 3 operating expenses (OpEx)5) See Taxonomy table 2 capital expenses (CapEx)



Knowit's share of taxonomy aligned or eligible activities reported

Only projects that pass the screening before are subject to the next step in the process.

dings, and Engineering activities and related technical consultancy dedicated to adaptation to climate change) that Knowit – as a consultancy service supplier – are part of. For examples of enabling activities in client projects are digital solutions that serve to decrease climate impact.

The definitions and quality assurance of criteria and process was done in collaboration with an expert team in taxonomy and sustainability, as well as all project managers for the projects. For projects falling under several activity categories, only one activity was counted, to avoid double-counting.

The initial screening, in which all larger projects were analyzed and where Knowit as a digitalization consultant was interpreted as an enabler of projects with climate impact, gave a higher result than the new, more limited interpretation from the EU allows.

For 2022, none of our projects can be classified as fulfilling all technical screening criteria²⁾ required to be classed as taxonomy aligned. This is in particular attributed to our projects not having conducted a risk analysis as per the technical requirements in appendix A, which is a prerequisite to fulfilling the do not doing significant harm criteria for climate adaptation. However, the screening shows that Knowit has a 16 percent³⁾ taxonomy eligible net turnover. Based on the findings derived from this comprehensive screening, our assessment is that Knowit in the coming years, as the criteria are applied more broadly to projects in the areas of our operations, will be able to class a greater proportion of its net turnover as taxonomy aligned.

Knowit's potential for taxonomy aligned or eligible operating expenses (OpEx) has been established through an analysis of the rules of the regulation, together with an in-depth analysis of excerpts of costs, and dialogues with experts. The report of SEK 0⁴⁾ in both the numerator and the denominator is in line with the norm for the sector, and for operations such as ours.

Capital expenses (CapEx) have been established through analysis of Knowit's investments, complemented with surveys performed both internally and externally, such as with among suppliers and property owners. Capital expenses that are taxonomy eligible total 1 percent⁵⁾ and are related to activity 7.7 Acquisition and ownership of buildings. The property owner Castellum has confirmed that the activity is not doing significant harm to any other goal, and that the minimum safeguards are respected and upheld.

The table shows the results of this year's analysis:

	Eligible, %	Aligned, %
Net turnover	16	0
Operating expenses (OpEx)	-	-
Capital expenses (CapEx)	16	1

→ TAXONOMY TABLE 1 – ADJUSTMENT

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ECONOMIC ACTIVITIES (1)					SUBSTAN	TIAL CONT	RIBUTION	CRITERIA		DNS	H CRITERI	A (DOES N	OT SIGNIF	CANTLY H	ARM)					
		KSEK	%	%	%	%	%	%	%	YES /NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	%	ENABLING	TRANSI- TIONAL
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy- aligned) (A.1)		-	0																	
A.2 Taxonomy-Eligible but not environ- mentally sustainable activities (not Taxonomy-aligned activities)																				
Data processing, hosting and related activities	8.1	63,088	1																	
Computer programming, consultancy and related activities	8.2	1,020,470	15																	
Close to market research, development and innovation	9.1	7,697	0.1																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																				
TOTAL (A.1 + A.2)		1,091,254	16														0			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy- non-eligible activities (B)		5,742,492	84																	
TOTAL (A + B) ¹⁾		6,833,746	100																	

1) See Note 3.

\rightarrow TAXONOMY TABLE 2 – CapEx

	\$03K 181	PRSOLUTE	PROPOSITION OF CHART	CLIMPTE CHAPS	MRIER PRO MARY.	CIAU CIAU	o.	OOTUERSITA NO LIUTIO	CI-IMPLE CHAN	CI IMATE CHAN	NOTER AND MARY.	INE RESOURCES	JULAR ECONOMIA	OOLURASIT AN POLUTION	MINIMUS 10 ECOSISTEMS	AOPORIONOF CURROS	OPORTION OF C. PRET- JEAR N.	HOORA (ENABL	CORA (IR. LING RCTIUITA C	ANSITIONAL PCTILITY	
	ECONOMIC ACTIVITIES (1)					SUBSTAN	TIAL CONT	RIBUTION	CRITERIA		DNS	H CRITERI	A (DOES N	OT SIGNIFI	CANTLY H	ARM)					
			KSEK	%	%	%	%	%	%	%	YES/NO	YES/NO	YES/NO	YES /NO	YES/NO	YES /NO	YES/NO	%	%	ENABLING	TRANSI- TIONAL
Α.	TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1	Environmentally sustainable activities (Taxonomy-aligned)																				
	Acquisition and ownership of buildings	7.7	5,493	1	100						-	Yes	-	-	-	-	Yes	0.6			
	CAPITAL EXPENDITURE FOR THOSE ENVIRONMENTALLY SUSTAINABLE (taxonomy compatible) active heather's) (A.1)		5,493	1																	
A.2	Taxonomy-Eligible but not environ- mentally sustainable activities (not Taxonomy-aligned activities)			0																	
	Transport by motor bikes, passenger cars and commercial vehicles	6.5	12,163	1																	
	Acquisition and ownership of buildings	7.7	501,650	58																	
	Close to market research, development and innovation	9.2	10,212	1																	
	CAPEX OF TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (not Taxonomy-aligned activities) (A.2)		524,025	60																	
	TOTAL (A.1 + A.2)		529,518	61														0.6			
В.	TAXONOMY-NON-ELIGIBLE Activities																				
	CapEx of Taxonomy-non-eligible activities (B)		341,609	39																	
	TOTAL (A + B) ¹⁾		871,127	100																	

1) See Notes 10, 11 and 32.

Cook as	ABSOLUT	9ROSORTION OF ORE CHARMENT CHA	CLIMATE CHAR CHARTER	WALKA AND WAY. ANGL BORGANDA (S)	CIRC CIRCURCES	o.	ooursesity are portunio	CI-IMATE CHAP.	CLIMATE CHANGE MITICATION	TERER AND HARE	INE RESOURCES	an all PA ECONOMY	POOLULINON POLLUTION	AO E COSASTERS	PROPORTION OF	AO VORION OF	EGORT (ENABLE) (18)	GORA (18)	SASIHONAL SCIULI	41 (2)
ECONOMIC ACTIVITIES (1)					SSUBSTAN	ITIAL CON	TRIBUTION	I CRITERIA		DNS	H CRITERI	A (DOES N	OT SIGNIFI	CANTLY H	ARM)					
		CURRENCY	%	%	%	%	%	%	%	YES /NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	%	ENABLING	TRANSI- TIONAL
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)		0	0																	
OpEx of environmentally sustainable activities (Taxonomy- aligned) (A.1)		0	0																	
A.2 Taxonomy-Eligible but not environ- mentally sustainable activities (not Taxonomy-aligned activities)		0	0																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0																	
TOTAL (A.1 + A.2)		0	0														0		0	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		0	0																	
TOTAL (A + B)		0	0																	

GRI content index

	period 1 Jar	B (publ) has reported the information of nuary 2022 – 31 December 2022 with re	eference to the GRI Standards.										
GRI 1 USED	GRI 1: Foundation 2021												
GRI STANDARD	DISCLOSU	RE	COMMENTS	SDG	UNGC	LOCATIO							
GRI 2: General Disclosures 2021		anizational details				56,116							
General Disclosures 2021	susta	ties included in the organization's ainability reporting				93							
		orting period, frequency and tact point				52							
		ernal assurance				53							
		vities, value chain and other iness relationships				43							
	2-7 Emp	bloyees		8	Principle 3,6,10	30							
	2-9 Gove	ernance structure and composition		5		54,55							
		nination and selection of the nest governance body		5		64							
	2-11 Chai	ir of the highest governance body				10							
	2-12 Role over	e of the highest governance body in seeing the management of impacts				11,64							
		egation of responsibility for aging impacts				11,52							
		e of the highest governance body ustainability reporting				53							
		nmunication of critical concerns		16		41							
		nuneration policies		8		58							
	2-22 State strat	ement on sustainable development tegy				8							
	2-23 Polic	cy commitments		16		50							
	2-24 Emb	bedding policy commitments				50							
		chanisms for seeking advice and ng concerns		16		41							
	2-27 Com	npliance with laws and regulations		16		41							
	2-28 Merr	nbership associations		17		39,48,4							
	2-29 App	roach to stakeholder engagement		17		51,52							
	2-30 Colle	ective bargaining agreements	A total of 2,396 employees in 35 Swedish and 4 Finnish subsidairies	8	Principle 3								
GRI 3: Material Topics 2021	3-1 Proc	cess to determine material topics				38,51							
GRI 201: Economic Performance 2016		ct economic value generated and ributed		8,9		68							
GRI 205: Anti-corruption 2016		erations assessed for risks related orruption		16	Principle 10	41							
		nmunication and training about anti- uption policies and procedures		16	Principle 10	41							
		firmed incidents of corruption and ons taken		16	Principle 10	41							
GRI 305:	305-1 Dire	ct (Scope 1) GHG emissions		3,12,13,14,15	Principle 7,8	40							
Emissions 2016	305-2 Ener	rgy indirect (Scope 2) GHG emissions		3,12,13,14,15	Principle 7,8	40							
	305-3 Othe	er indirect (Scope 3) GHG emissions		3,12,13,14,15	Principle 7,8	40							
	305-4 GHG	G emissions intensity		13,14,15	Principle 7,8	40							
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GRI 308: Supplier Environmental Assessment 2016		v suppliers that were screened using ronmental criteria		13,14,15	Principle 7,8,9	43							
GRI 401: Employment 2016	401-1 New turno	v employee hires and employee over	Not reported in detail	5,8,10	Principle 6	58							
GRI 403: Dccupational Health and	403-2 Haza	ard identification, risk assessment, incident investigation		3,8	Principle 6	42							
Safety 2018		k-related injuries		3,8,16	Principle 6	42							
GRI 405: Diversity and Equal Opportunity 2016		ersity of governance bodies employees		5,8	Principle 6	31,41							
GRI 406: Non-discrimination 2016		dents of discrimination and rective actions taken		5,8	Principle 6	41							
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Ope the r	erations and suppliers in which right to freedom of association and cetive bargaining may be at risk		8	Principle 1,2,3,4,5,6	43							
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GRI 418: Customer Privacy 2016	418-1 Subs	stantiated complaints concerning aches of customer privacy and losses ustomer data		16		45							



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