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# YEAR-END REPORT

## JANUARY – DECEMBER 2014

Good performance in Sweden,  
stable in Norway  
Strong cash flow during the quarter  
Unchanged dividend

### JANUARY – DECEMBER 2014

NET SALES INCREASED BY 2.9 PERCENT TO SEK 2,030.7 (1,972.9) MILLION

THE OPERATING PROFIT (EBITA) INCREASED BY 5.9 PERCENT, TO SEK 120.9 (114.2) MILLION

RESULTS AFTER TAXES INCREASED TO SEK 59.5 (53.8) MILLION

EARNINGS PER SHARE WERE SEK 2.83 (2.86)

EBITA-MARGIN INCREASED TO 6.0 (5.8) PERCENT

CASH FLOW FROM OPERATING ACTIVITIES TOTALED SEK 102.3 (106.0) MILLION

CASH AND CASH EQUIVALENTS WERE SEK 91.4 (104.4) MILLION AS PER DECEMBER 31

THE BOARD PROPOSES AN UNCHANGED DIVIDEND OF SEK 3.25 (3.25) PER SHARE, FOR A TOTAL OF SEK 59.8 (57.3) MILLION

### OCTOBER – DECEMBER 2014

NET SALES INCREASED BY 1.6 PERCENT, TO SEK 555.8 (547.1) MILLION

THE OPERATING PROFIT (EBITA) TOTALED SEK 37.0 (38.5) MILLION

RESULTS AFTER TAXES WERE SEK 16.1 (16.1) MILLION

EARNINGS PER SHARE WERE SEK 0.76 (0.86)

THE OPERATING MARGIN (EBITA) WAS 6.7 (7.0) PERCENT

CASH FLOW FROM OPERATING ACTIVITIES INCREASED TO SEK 86.8 (48.5) MILLION

The information contained herein is such as shall be made public by Knowit, in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. This press release was made public at 8.30 AM on February 11, 2015.

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

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## Comments from the CEO

We have improved our result and net sales for the year, as compared with 2013. In Sweden, the improvement has been marked both in the fourth quarter and for the full year. And this on an unchanged market. All operations in Sweden are showing positive development. The largest improvement is seen among the Management companies, our regional companies in Malmö and within Design & Digital in Stockholm. The Norwegian operations show continued stable and strong results. In Bergen we have during 2014 reinforced our position with new offerings and in Oslo we remain strong in the public sector.

### Ventures and measures

The Finnish market is still affected by a very weak market with price pressures and tough competition. Our focus during the period has therefore been on further consolidating operations. We have, among other things, closed the Russian office, adapted the organization in the web field to decrease total costs. Testing operations in Finland show a continued positive development thanks to increased sales pressure and developed offerings.

During the quarter, we have carried out several ventures to reinforce our position, primarily in Norway. We have acquired a number of smaller companies with cutting edge expertise and a presence in client segments that supplement our existing operations. We have also founded companies, in Oslo within decision support, and in Göteborg within integration. As a step in streamlining operations, we have during the quarter sold companies within IT operations in Norway and Sweden.

### Increased client value

To an increasing extent, we strive to achieve collaborative gains between operations with similar business logic. We have increased collaborations between units with operations in web and portal solutions, strategic development, decision support and system development, respectively. This new perspective is combined with our governance on a regional level. In this way, we develop the market and create added value for clients and owners.

### New client needs

Purchasing of consultancy services is increasingly coming from the line operations of clients. Market departments buy services in digital communication, HR departments buy services for support systems and management groups order education in agile leadership. Knowit create unique customer value by combining expertise in Management, IT and Design and Digital.

### Confidence

It is very positive that we have a continued positive development in Sweden, that we are strong in Norway and that we have taken actions in Finland. Despite the challenges in Finland, we have increased our result and net sales.

I feel high confidence in our ability to, through collaborating specialist units, both drive and adapt to the needs of clients and the demands of the market. Knowit is a company that not only develops its clients' business in a new way, but also creates new business opportunities in a complex and dynamic environment.

*Per Wallentin  
CEO and President*

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## The corporation

### Operations

#### Market

During the fourth quarter, demand has been on par with that of the third quarter, in the industry fields and offerings where Knowit operates. In Norway and Sweden, demand has remained stable and high. In Finland, it has remained weak, with price pressures and tough competition.

In the public sector, with high levels of service and accessibility for citizens and companies, authorities are expected to supply services while remaining cost-effective. This places high demands on each individual authority. Knowit, with its many frame agreements, has been able to fortify its position in the segment.

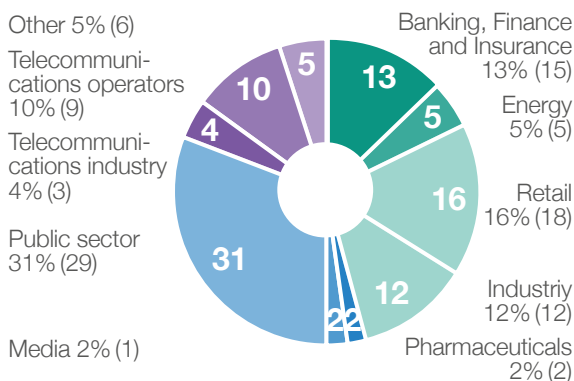
High accessibility, performance and flexibility are focus areas in the telecommunications industry. An ever shorter product life cycle and an ever faster development of new services creates a constant need for development of both products and net capacity. The competition is tough and the need for efficiency is large. Consultants are used to get services and products onto the market faster, for competence reinforcement and streamlining.

Improved client experiences are one of the focus areas among banking companies and with the continued growth of investments in web and mobile channels. Mobile banking solutions are expected to be the highest investment priority.

Knowit develops bank applications that give banking clients easy access to the most frequently used services via iPhones, iPads and Android units.

#### Sales per industry field

JANUARY – DECEMBER 2014



New purchasing patterns among end clients is driving development of new functions within e-commerce. They place high demands on technical solutions and efficient integration. Efficient integration with existing business systems is a prerequisite to exploiting the full benefits of e-commerce. The solutions for mobile e-commerce are selected wholly based on target groups, security needs and accessibility. Knowit develops integration solutions and creates e-commerce apps for iOS, Android and Windows Phone.

The main challenges of the industry is to lower its costs and adapt the product portfolio to suit new global needs. A large proportion of Swedish companies currently produce goods in the high-end segment. Now, the middle segment is growing rapidly. Knowit works at the interfaces between product development, production, product planning and development support (IT) to exploit the full potential of an effective product development.

#### Frame agreements and new deals

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

During the quarter Knowit in Sweden has signed or extended frame agreements with, for example: BAE Systems Hägglunds, EIKA – Konsern, Fortum Värme, the City of Göteborg, the City of Helsingborg, Holmen Paper, ICA, Länsförsäkringar, the Norwegian Environment Agency, the Office of the Auditor General of Norway, SAAB AB, Sandvik, Skandia, Statkraft, the municipality of Sundsvall, the Swedish University of Agricultural Sciences, TDC Sverige AB, Tekniska verken in Linköping, Umeå Energi and the municipality of Örebro.

#### Examples of assignments during the quarter

By acting as IT manager and later as CEO of the IT department of the investment company Latour Industries, Knowit has expanded the traditional consultancy role. With the goal of improving quality and efficiency, Knowit also carried out an outsourcing process, resulting in the corporatization of the department.

SEB is developing both its organization and its work

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methods to become faster and more efficient. Knowit assists by educating managers in agile leadership, with the goal of creating a culture where it is possible for all employees to be innovative. Through inspiration, advice and training, Knowit is transforming SEB's strategic innovative thinking into a practical reality.

Knowit is leading the implementation of a digitalization platform for document handling and archiving within the public sector on Greenland. The platform CBrain F2 is a new type of system offering integration with social media.

The municipality of Botkyrka chose Knowit as its strategic management partner. Knowit is responsible for program management and performance of the municipal program, Professional IT. Professional IT is an important success factor in a municipality with the motto »Far from average.«

Knowit performed a risk analysis for St Erik Eye Hospital with a focus on health technology equipment and networks. The purpose was to identify security related problems, mainly connected to St Erik's health technology equipment. The analysis encompassed interviews, visual reviews and technical tests.

With a full development team on site, Knowit has helped Tele2 realize its new online strategy. The result is an entirely new website where campaigns and offerings are posted at lightning speed, where it is easier to navigate and where more purchases are made using smartphones. Knowit took on the role of a digital full service agency – from the first studies and analyses to implementation and application management.

## Expansions and new offerings

Through Knowit's corporate structure with operating subsidiaries in different locations and in different offerings, there is space for investing in some areas of the corporation while streamlining others. During the quarter, Knowit has continued to adapt the Finnish organization to fit demand, by altering parts of the management, decreasing redundancies, increasing the venture into sales campaigns and developing competence that better suits demand.

Knowit increased its operations in decision support by founding Knowit Decision O2 in Oslo. The company supplements existing operations in decision support in Norway.

The specialist company in advertising and design in Norway, Knowit Neolab, acquired Metronet AS. The acquisition means that Knowit becomes one of the largest communication agencies in Norway, with 107 employees.

In Oslo, Knowit reinforced its presence through the acquisition of Dataess, a company in system development and strategic consultancy, focused on Oracle technology

and services based on Altinn.

The operations in offshore, oil and gas, shipping and marine industries in Norway were increased through the acquisition of the design and communication agency Colours. The company has 27 employees in Bergen, Oslo and Stavanger.

Knowit has sold Knowit Services with operations in Norway and Sweden to Candidator. The consideration, estimated to total around SEK 45 million, was paid in cash. Acquisition occurred on January 2 2015. The sale is a result of Knowit's strategic development and streamlining of operations.

Efforts to reinforce the Finnish operations have continued during the quarter. This has included the winding up of operations in Saint Petersburg.

Knowit reinforced its offering in integration through the founding of Knowit Bconnected in Göteborg. The basis for the venture is an increased demand for integration services due to the development of the cloud and standard products.

In Denmark, a new operation in decision support was established through the founding of Knowit Decision Denmark on January 1 2015. The company is a partner to SAS Institute, the world's leading software supplier in big data and business intelligence.

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

## Marketing and communication

Ejendals' website was named best B2B site at the EPI-Server Awards. It was developed by Knowit in collaboration with Ejendals. The site is an important channel for Ejendals, which markets protective shoes and gloves, in reaching new markets in Europe and also provides support for the company's growth strategy.

Apoteket mobil, developed by Knowit in collaboration with Apoteket, made it to the finals in the category Project of the year at the CIO Awards 2014, hosted by CIO Sweden. Apoteket is the first company in Sweden to offer mobile purchasing of prescription medication. The project was assessed based on the criteria scope, value added, complexity, innovativeness and sustainability aspects.

Swedavia's app, developed by Knowit, has been named the best mobile app 2014 at the Web Service Award. The jury's justification was: »Attractive and simple, with a design that suits the format. The winner of the category Mobile app delights both users and the jury

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with smart functions and sorting options. This is an app you enjoy, which is useful and simplifies your travel.«

Knowit's communication concept They call us IT consultants has become a book, with over 100 comic strips. Ads from the past two years have been compiled into a comic book sold in book stores. It is probably the only book made up entirely of ads that is interesting for people outside the ad industry.

## Net sales and results

### January – December

Net sales increased to SEK 2,030.7 (1,972.9) million, an increase by 2.9 percent as compared with the corresponding period last year. Net sales were SEK 1,370.5 (1,327.3) million in Sweden, SEK 561.0 (521.4) million in Norway and SEK 74.6 (110.1) million in Finland. Sales per employee were SEK 1,169 (1,174) thousand.

Profit before amortization of intangible assets (EBITA) increased to SEK 120.9 (114.2) million, an increase by 5.9 percent as compared with the corresponding period last year. In Sweden, EBITA was SEK 115.2 (81.0) million, in Norway SEK 61.6 (70.8) million and in Finland SEK -13.3 (-0.3) million.

The EBITA-margin increased to 6.0 (5.8) percent. Amortization of intangible assets amounted to SEK -23.2 (-21.3) million. Profit after financial items amounted to SEK 82.5 (86.5) million. The financial net was SEK -15.2 (-6.4) million. During the period, the financial net was affected by costs for synthetic options in subsidiaries and other interesting-bearing liabilities for loans and leasing.

The results after taxes increased to SEK 59.5 (53.8) million. Tax for the period amounted to SEK -23.0 (-32.7) million. The non-controlling interests' share of profit for the year totaled SEK 8.2 (3.4) million. Earnings per share were SEK 2.83 (2.86).

### The fourth quarter

Net sales increased to SEK 555.8 (547.1) million, an increase by 1.6 percent as compared with the corresponding period last year. Net sales were SEK 371.9 (366.7) million in Sweden, SEK 157.8 (148.6) million in Norway and 18.9 (27.3) million in Finland. Sales per employee increased to SEK 324 (317) thousand.

Profit before amortization of intangible assets (EBITA) was SEK 37.0 (38.5) million.

In Sweden, EBITA was SEK 33.4 (29.3) million, in Norway SEK 16.4 (21.7) million and in Finland SEK -4.2 (-1.0) million. The EBITA-margin was 6.7 (7.0) percent.

Amortization of intangible assets amounted to SEK -5.8 (-5.8) million. Profit after financial items was SEK 20.3 (31.3) million. The financial net was SEK -10.9 (-1.4) million. During the period, the financial net was affected by costs for synthetic options in subsidiaries and other interesting-bearing liabilities for loans and leasing.

Results after taxes were SEK 16.1 (16.1) million. Tax for the period amounted to SEK -4.2 (-15.2) million. The non-controlling interests' share of profit for the year totaled SEK 2.1 (1.0) million.

Earnings per share were SEK 0.76 (0.86).

## Segments

### January – December

Net sales for the segment Sweden increased to SEK 1,370.5 (1,327.3) million and for the segment Other Nordic countries increased to SEK 645.0 (636.5) million. For the segment Sweden, the profit before amortization of intangible assets (EBITA) increased to SEK 115.2 (81.0) million, with an EBITA-margin of 8.4 (6.1) percent. For the segment Other Nordic countries, EBITA was SEK 47.6 (65.4) with an EBITA-margin of 7.4 (10.3) percent. The parent company's results are not included in the presentation of segments.

## Cash flow and financial position

### January – December

Cash flow from operating activities totaled SEK 102.3 (106.0) million.

Cash flow from investment activities totaled -32.2 (-86.1) Cash flow from financing activities totaled SEK -83.8 (-10.2) million, affected by payment of dividends to non-controlling interests in group companies and shareholders in Knowit AB, and amortization of loans. Total cash flow was -13.7 (9.7).

Cash and cash equivalents, including short-term investments, totaled SEK 91.4 (104.4) million as per December 31, 2014. Goodwill and other intangible assets amounted to SEK 952.9 (975.2) million, of which goodwill totaled SEK 921.7 (921.0) million, and other intangible assets totaled SEK 31.2 (54.2) million.

Equity totaled SEK 798.1 (786.6) million. Interest-bearing liabilities totaled SEK 272.3 (314.4) million on December 31, 2014, of which SEK 93.6 (104.4) million were long-term and SEK 178.7 (210.0) million were short-term. During the year, the short-term interest-bearing liabilities have decreased through amortization

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of loans and payment to non-controlling interests of additional consideration. Bank loans totaled SEK 60.7 (112.2) million, a used overdraft facility totaled SEK 120.6 (95.0) of a granted overdraft facility of SEK 200.0 (125.0) million, financial leases totaled SEK 22.7 (19.1) million and liabilities related to future consideration and synthetic options in subsidiaries totaled SEK 68.3 (88.1) million. The equity ratio was 51.0 (49.3) percent as per December 31, 2014.

Knowit AB has on January 2, 2015 sold Knowit Services, with operations in Norway and Sweden, to Candidator AB. The assets and liabilities connected to this sale are presented in the balance sheet as »Assets and liabilities in sale group held for sale«. The assets are tangible fixed assets, totaling SEK 5.5 (–) million and other current assets totaling SEK 9.8 (–) million. The liabilities are interest-bearing short-term liabilities totaling SEK 3.7 (–) million and accounts payable and other liabilities totaling SEK 11.0 (–) million.

## The share

In May, 745,044 shares were issued, as per the AGM resolution on an offset issue waiving the preferential rights of shareholders. At the same time, the resolution on withdrawal of 48,734 shares previously repurchased was performed. The issue was directed at the sellers of shares in Reaktor AS, Norway and shares in subsidiaries in the Reaktor AS corporation, as well as sellers of shares in Amende AS, Norway, as partial payment for the acquisition of these companies.

Outstanding shares in Knowit AB were, before the new issue, 17,692,722 in total, and after the issue and withdrawal, 18,389,032 shares in total. This, the share capital has increased to SEK 18,389,032.

## Employees

On December 31, 2014, a total of 1,788 (1,833) people were employed by the corporation. The number of employees has decreased by 45 persons during 2014, mainly in Finland and in connection with the sale of Knowit Tech Doc in Skåne. The average number of employees during the period was 1,737 (1,681).

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## Parent company

### Results and financial position

January – December

Profit before amortization of intangible assets (EBITA) totaled SEK -46.1 (-35.2) million.

The financial net totaled SEK 14.5 (25.5) million, affected mainly by depreciation of shares in subsidiaries.

The result after financial net was SEK -32.1 (-10.2) million. As per December 31, 2014, equity was SEK 416.3 (450.2) million and untaxed reserves, mainly accrual funds, were SEK 56.7 (59.1) million.

## Other information

### Dividend

Knowit's Board of Directors proposes to the Annual General Meeting a dividend of SEK 3.25 (3.25) per share, for a total of SEK 59.8 (57.3) million.

### The Nomination Committee

In accordance with the resolution of the Annual General Meeting on April 29, 2014, the nomination committee for the AGM 2015 shall consist of a representative for each of the three largest registered shareholders in terms of votes on September 30 2014, and the Chairman of the Board, who shall convene the nomination committee for its first meeting.

The nomination committee for the AGM 2015 consists of: Mats Olsson, Chairman of the Board and convener  
Frank Larsson, Handelsbanken fonder  
Mats Gustafsson, Lannebo fonder,  
Lennart Francke, Swedbank Robur fonder

The duties of the Nomination committee are to propose, during the AGM 2015, the Chairman of the AGM, Board members, the Chairman of the Board, auditors, Directors' fees, auditors' fees and the Nomination committee's procedures.

Shareholders who desire to present suggestions to the nomination committee can do so via e-mail to [valberedning@knowit.se](mailto:valberedning@knowit.se).

### AGM

The AGM will take place on Tuesday April 28, 2015 at 4 p.m. in Knowit's offices, Klarabergsgatan 60, Stockholm.

Notice to attend will be announced in a press release, in the newspapers Post och Inrikes Tidningar and Dagens Industri, and on Knowit's website.

### Essential Risks and Uncertainty Factors

Knowit's general essential business risks consist of reduced demand for consultancy services, problems attracting and retaining skilled personnel, price pressures and financial risks related to credit and exchange rates and, to a lesser extent, risks related to fixed price projects. For a comprehensive description of the essential risks and uncertainty factors, see Knowit's annual report for 2013.

### Accounting Principles

This report has been prepared in accordance with IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act. The Group accounts have been prepared in accordance with the International Financial Reporting Standards, IFRS, as adopted by the European Union.

The parent company's accounts were prepared in accordance with the Swedish Annual Accounts Act and the recommendation RFR 2 Accounting for legal entities.

For more information on accounting and valuation principles, see notes 1, 2 and 9, pages 56-63 in the annual report for 2013.

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*As of January 1, 2014, the company applies the following new standards or amendments to IFRS:*

## **IFRS 10 »Consolidated Financial Statements«**

Is based on existing principles and identifies control as the determining factor when deciding if a company should be included in the consolidated accounts. The standard provides further guidance to assist in determining control when this is difficult to assess.

## **IFRS 12 »Disclosure of Interests in Other Entities«**

Encompasses the requirements for disclosure for subsidiaries, joint arrangements, interest companies and other, non-consolidated structured companies.

None of the new or amended standards or interpretations have had any significant impact on the company's financial reporting. There is no difference between IFRS in force on December 31 2014 and IFRS as adopted by the European Union.

## **Disclosure requirements per quarter following from IFRS**

*Financial instruments reported at other than actual value*

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

## **Forward-looking information**

Forward-looking information in this report is based on the expectations of Knowit's management team at the time of the report. While Knowit's management team assesses these expectations to be reasonable, there is no guarantee that these expectations are or will turn out to be correct. Consequently, future outcomes may vary significantly compared with what is presented in the future-oriented information, depending for example on changed market conditions for the Knowit corporation's offerings and more general conditions related to economy, market, competition, regulatory changes and other alterations in policy, as well as variations on exchange rates.

## **Financial Calendar**

28 Apr 2015 8.30 AM Interim Report Q1  
28 Apr 2015 4 PM AGM  
17 July 2015 8.30 AM Interim Report Q2  
22 Oct 2015 8.30 AM Interim Report Q3  
10 Feb 2016 8.30 AM Year-End Report 2015

Stockholm, February 11, 2015

*Per Wallentin*  
CEO

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

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Knowit AB (publ) is a consultancy company which develops its clients' business and operations through creating creative solutions in IT, Digital & Design and Management. Through entrepreneurial, locally active units operating on the client's local markets, we offer understanding of both operations and needs. Our culture is characterized by openness, entrepreneurialism, high competence and a drive to constantly develop.

Knowit was founded in 1990 and currently has around 1,800 employees in 17 locations in Sweden, five locations in Norway, and one each in Denmark, Estonia, Finland and Germany. Knowit AB (publ) is quoted on the Nordic Exchange in Stockholm. For further information about Knowit, please visit knowitgroup.com.



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# Consolidated income statement

SEK M	OCT-DEC 2014	OCT-DEC 2013	JAN-DEC 2014	JAN-DEC 2013
Net sales	555.8	547.1	2,030.7	1,972.9
Operating costs	-515.3	-505.6	-1,897.3	-1,847.2
Depreciation of tangible fixed assets	-3.5	-3.0	-12.5	-11.5
<b>OPERATING RESULT BEFORE DEPRECIATIONS OF INTANGIBLE ASSETS (EBITA)</b>	<b>37.0</b>	<b>38.5</b>	<b>120.9</b>	<b>114.2</b>
Depreciation of intangible fixed assets	-5.8	-5.8	-23.2	-21.3
<b>OPERATING RESULT (EBIT)</b>	<b>31.2</b>	<b>32.7</b>	<b>97.7</b>	<b>92.9</b>
Financial income	1.4	3.4	2.3	4.1
Financial cost	-12.3	-4.8	-17.5	-10.5
<b>RESULT AFTER FINANCIAL ITEMS</b>	<b>20.3</b>	<b>31.3</b>	<b>82.5</b>	<b>86.5</b>
Income taxes	-4.2	-15.2	-23.0	-32.7
<b>RESULT FOR THE PERIOD</b>	<b>16.1</b>	<b>16.1</b>	<b>59.5</b>	<b>53.8</b>
Result for the period assignable to shareholders in Parent Company	14.0	15.1	51.3	50.4
Result for the period assignable to non-controlling interests' holdings	2.1	1.0	8.2	3.4
<b>Earnings per share</b>				
Earnings per share before dilution (SEK)	0.76	0.86	2.83	2.86
Earnings per share after dilution (SEK)	0.76	0.86	2.83	2.86

# Consolidated report concerning total results

SEK M	OCT-DEC 2014	OCT-DEC 2013	JAN-DEC 2014	JAN-DEC 2013
Result for the period	16.1	16.1	59.5	53.8
<i>Items that may be reclassified subsequently to profit or loss</i>				
Hedging of netinvestment	3.1	0.7	-0.1	5.6
Tax effect hedging of netinvestment	-0.7	-0.1	0.0	-1.2
Exchange rates differences	-20.7	-0.7	-0.3	-25.6
<b>OTHER TOTAL RESULT FOR THE PERIOD NET AFTER TAX</b>	<b>-2.2</b>	<b>16.0</b>	<b>59.1</b>	<b>32.6</b>
<b>Total result for the period</b>				
Total result assignable to shareholders in Parent Company	-4.3	15.0	50.9	29.2
Total result assignable to non-controlling interests' holdings	2.1	1.0	8.2	3.4

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## Consolidated balance sheet

SEK M	2014-12-31	2013-12-31
<b>Assets</b>		
Intangible fixed assets	952.9	975.2
Tangible fixed assets	35.3	37.1
Financial fixed assets	0.7	0.3
Deferred tax assets	6.3	1.7
Current assets	464.1	476.3
Liquid funds including short-term investments	91.4	104.4
Assets of disposal group classified as held for sale	15.3	–
<b>TOTAL ASSETS</b>	<b>1,566.0</b>	<b>1,595.0</b>
<b>Equity and liabilities</b>		
Share capital	18.4	17.7
Other paid-up capital and other provisions	468.2	410.1
Recognized profits including result for the period	300.2	352.6
<b>Equity attributable to shareholders of Parent Company</b>	<b>786.8</b>	<b>780.4</b>
Non-controlling interests' holdings	11.3	6.2
<b>Total equity</b>	<b>798.1</b>	<b>786.6</b>
Long-term provisions	43.7	53.2
Interest-bearing long-term liabilities	93.6	104.4
Interest-bearing short-term liabilities	178.7	210.0
Other short-term liabilities	437.1	440.8
Liabilities of disposal group classified as held for sale	14.8	–
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,566.0</b>	<b>1,595.0</b>

## Key figures

	OCT-DEC 2014	OCT-DEC 2013	JAN-DEC 2014	JAN-DEC 2013
Average number of employees	1,718	1,724	1,737	1,681
Sales per employee (000)	324	317	1,169	1,174
Result after financial items per employee (000)	12	18	47	51
Return on total capital %	1.9	2.3	6.3	6.0
Return on equity %	2.0	2.0	7.5	6.6
Return on capital employed %	1.5	3.3	6.3	8.8
EBITA margin %	6.7	7.0	6.0	5.8
Equity ratio %	51.0	49.3	51.0	49.3

## Data per share

	OCT-DEC 2014	OCT-DEC 2013	JAN-DEC 2014	JAN-DEC 2013
<b>Earnings per share (SEK)</b>				
Before dilution	0.76	0.86	2.83	2.86
After dilution	0.76	0.86	2.83	2.86
<b>Equity per share (SEK)</b>				
Before dilution	42.79	44.23	42.79	44.23
After dilution	42.79	44.23	42.79	44.23
<b>Average number of shares (000)</b>				
Before dilution	18,389	17,644*	18,097	17,644*
After dilution	18,389	17,644*	18,097	17,644*
<b>No. of shares on balance day (000)</b>				
Before dilution	18,389	17,644*	18,389	17,644*
After dilution	18,389	17,644*	18,389	17,644*

\*) Average numbers of shares after taking into account repurchased shares 49. As of May 2014, these shares are suspended.

# 11

## Change in equity

SEK M	OCT-DEC 2014	OCT-DEC 2013	JAN-DEC 2014	JAN-DEC 2013
<b>Opening balance</b>	<b>825.7</b>	<b>811.6</b>	<b>786.6</b>	<b>853.4</b>
Exchange rates differences	-20.7	-0.7	-0.3	-25.6
Hedging of net investment	3.1	0.7	-0.1	5.6
Tax effect hedging of net investment	-0.7	-0.1	0.0	-1.2
Result for the period	16.1	16.1	59.5	53.8
<b>TOTAL RESULT FOR THE PERIOD</b>	<b>-2.2</b>	<b>16.0</b>	<b>59.1</b>	<b>32.6</b>
<b>TOTAL BEFORE TRANSACTIONS WITH SHAREHOLDERS</b>	<b>823.5</b>	<b>827.6</b>	<b>845.7</b>	<b>886.0</b>
Non-controlling interest's holdings	0.0	0.3	0.0	0.7
Additional capital from non-controlling interest's holdings	0.2	0.0	6.0	0.6
Changed provision for acquisition of minority	-25.6	-41.3	-37.5	-41.3
Dividend payment	0.0	0.0	-69.6	-59.4
New share issue, acquisitions	0.0	0.0	53.5	0.0
<b>CLOSING BALANCE</b>	<b>798.1</b>	<b>786.6</b>	<b>798.1</b>	<b>786.6</b>

## Consolidated cash flow analysis

SEK M	OCT-DEC 2014	OCT-DEC 2013	JAN-DEC 2014	JAN-DEC 2013
Cash flow current operations before changes in working capital	18.7	20.8	83.4	80.8
Change in working capital incl. short-term investments	68.1	27.7	18.9	25.2
<b>Cash flow from current operations</b>	<b>86.8</b>	<b>48.5</b>	<b>102.3</b>	<b>106.0</b>
Cash flow from investing activities	-8.5	-12.0	-32.2	-86.1
Cash flow from financing activities	-49.5	-18.0	-83.8	-10.2
<b>Cash flow for the period</b>	<b>28.8</b>	<b>18.5</b>	<b>-13.7</b>	<b>9.7</b>
Opening balance	66.4	87.3	104.4	100.8
Exchange rates differences	-3.8	-1.4	0.7	-6.1
Closing balance	91.4	104.4	91.4	104.4

# 12

## Income statement Parent company

SEK M	OCT-DEC 2014	OCT-DEC 2013	JAN-DEC 2014	JAN-DEC 2013
Net sales	95.5	77.6	346.6	195.2
Operating costs	-104.7	-88.6	-391.6	-229.3
Depreciation of tangible fixed assets	-0.3	-0.2	-1.1	-1.1
<b>OPERATING RESULT BEFORE DEPRECIATIONS OF INTANGIBLE ASSETS (EBITA)</b>	<b>-9.5</b>	<b>-11.2</b>	<b>-46.1</b>	<b>-35.2</b>
Depreciation of intangible fixed assets	-0.1	-0.1	-0.5	-0.5
<b>OPERATING RESULT (EBIT)</b>	<b>-9.6</b>	<b>-11.3</b>	<b>-46.6</b>	<b>-35.7</b>
Financial items	2.1	18.6	14.5	25.5
<b>RESULT AFTER FINANCIAL ITEMS</b>	<b>-7.5</b>	<b>7.3</b>	<b>-32.1</b>	<b>-10.2</b>
Appropriations	2.4	-5.3	2.4	-5.3
Income taxes	-0.5	-9.0	-0.5	-9.0
<b>RESULT FOR THE PERIOD / OTHER TOTAL RESULT</b>	<b>-5.6</b>	<b>-7.0</b>	<b>-30.2</b>	<b>-24.5</b>

## Balance sheet Parent company

SEK M	2014-12-31	2013-12-31
<b>Assets</b>		
Intangible fixed assets	0.2	0.7
Tangible fixed assets	2.0	3.2
Financial fixed assets	816.2	876.6
Current assets	259.7	245.5
Liquid funds	0.0	0.0
<b>TOTAL ASSETS</b>	<b>1,078.1</b>	<b>1,126.0</b>
<b>Equity and liabilities</b>		
Share capital	18.4	17.7
Statutory reserve	68.0	68.0
Unrestricted share capital including result for the period	329.9	364.5
<b>Total equity</b>	<b>416.3</b>	<b>450.2</b>
Untaxed reserves	56.7	59.1
Interest-bearing long-term liabilities	36.5	60.9
Interest bearing short-term liabilities	149.0	141.1
Other liabilities	419.6	414.7
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,078.1</b>	<b>1,126.0</b>

# 13

## Segment reporting

2014 OCTOBER-DECEMBER, SEK M	SWEDEN	OTHER NORDIC	OTHER	MOTHER-COMPANY/ADJ	TOTAL
<b>External net sales</b>	<b>371.9</b>	<b>180.0</b>	<b>3.9</b>	<b>0.0</b>	<b>555.8</b>
<b>Operating result before depreciations of intangible fixed assets (EBITA)</b>	<b>33.4</b>	<b>12.3</b>	<b>0.8</b>	<b>-9.5</b>	<b>37.0</b>
Depreciation of intangible fixed assets	-2.4	-3.3	0.0	-0.1	-5.8
Result after financial items	13.6	15.7	-1.4	-7.6	20.3
<b>Result attributable to Parent Company shareholders</b>	<b>17.3</b>	<b>9.3</b>	<b>-1.6</b>	<b>-11.0</b>	<b>14.0</b>
2014 JANUARY-DECEMBER, SEK M	SWEDEN	OTHER NORDIC	OTHER	MOTHER-COMPANY/ADJ	TOTAL
<b>External net sales</b>	<b>1,370.5</b>	<b>645.0</b>	<b>15.2</b>	<b>0.0</b>	<b>2,030.7</b>
<b>Operating result before depreciations of intangible fixed assets (EBITA)</b>	<b>115.2</b>	<b>47.6</b>	<b>4.2</b>	<b>-46.1</b>	<b>120.9</b>
Depreciation of intangible fixed assets	-9.7	-13.0	0.0	-0.5	-23.2
Result after financial items	71.3	41.4	2.0	-32.2	82.5
<b>Result attributable to Parent Company shareholders</b>	<b>60.7</b>	<b>19.6</b>	<b>1.2</b>	<b>-30.2</b>	<b>51.3</b>
Total non-current assets	626.2	372.3	0.4	2.2	1,001.1
Total current assets	75.6	221.8	7.8	259.7	564.9
<b>Total assets</b>	<b>701.8</b>	<b>594.1</b>	<b>8.2</b>	<b>261.9</b>	<b>1 566.0</b>
<b>Total equity and liabilities</b>	<b>198.7</b>	<b>282.4</b>	<b>6.8</b>	<b>1,078.1</b>	<b>1,566.0</b>
<b>Average number of employees</b>	<b>1,176</b>	<b>524</b>	<b>25</b>	<b>12</b>	<b>1,737</b>
2013 OCTOBER-DECEMBER, SEK M	SWEDEN	OTHER NORDIC	OTHER	MOTHER-COMPANY/ADJ	TOTAL
<b>External net sales</b>	<b>366.7</b>	<b>177.4</b>	<b>3.0</b>	<b>0.0</b>	<b>547.1</b>
<b>Operating result before depreciations of intangible fixed assets (EBITA)</b>	<b>29.3</b>	<b>19.6</b>	<b>0.8</b>	<b>-11.2</b>	<b>38.5</b>
Depreciation of intangible fixed assets	-2.1	-3.6	0.0	-0.1	-5.8
Result after financial items	7.0	16.1	0.8	7.4	31.3
<b>Result attributable to Parent Company shareholders</b>	<b>14.9</b>	<b>6.4</b>	<b>0.8</b>	<b>-7.0</b>	<b>15.1</b>
2013 JANUARY-DECEMBER, SEK M	SWEDEN	OTHER NORDIC	OTHER	MOTHER-COMPANY/ADJ	TOTAL
<b>External net sales</b>	<b>1,327.3</b>	<b>636.5</b>	<b>9.1</b>	<b>0.0</b>	<b>1,972.9</b>
<b>Operating result before depreciations of intangible fixed assets (EBITA)</b>	<b>81.0</b>	<b>65.4</b>	<b>2.9</b>	<b>-35.1</b>	<b>114.2</b>
Depreciation of intangible fixed assets	-9.0	-11.8	0.0	-0.5	-21.3
Result after financial items	41.3	52.5	2.9	-10.2	86.5
<b>Result attributable to Parent Company shareholders</b>	<b>40.2</b>	<b>32.1</b>	<b>2.6</b>	<b>-24.5</b>	<b>50.4</b>
Total non-current assets	618.1	372.9	0.4	22.9	1,014.3
Total current assets	92.9	237.2	5.1	245.5	580.7
<b>Total assets</b>	<b>711.0</b>	<b>610.1</b>	<b>5.5</b>	<b>268.4</b>	<b>1,595.0</b>
<b>Total equity and liabilities</b>	<b>523.5</b>	<b>247.2</b>	<b>4.5</b>	<b>819.8</b>	<b>1,595.0</b>
<b>Average number of employees</b>	<b>1,138</b>	<b>512</b>	<b>18</b>	<b>13</b>	<b>1,681</b>

Other units includes operation in Estonia and in Germany.

Non-divided costs consist of the Parent Company's group-wide costs for management, financing and marketing.

Non-divided assets and liabilities pertain to posts attributable to group-wide.

# 14

## Acquired **Group** companies 2014

On June 2 2014, the company Knowit Neolab AS was founded in collaboration with key persons from Neolab AS, to create a more competitive operation in advertising and branding. On June 3, Knowit Neolab AS acquired all shares in Neolab AS. Thereafter, the decision was made to merge Knowit Neolab AS and Neolab AS, a merger that was conducted on July 1 2014. Knowit Neolab AS was, as of June, an associated company of the Knowit corporation. Following the merger, Knowit's holdings in the company increased, making it the majority shareholder with 80% of share capital.

For the acquired company Neolab AS, the value of assets and liabilities, considerations and effect on the corporation's cash equivalents were as follows:

SEK M	TOTAL
Settled in cash	6.7
Future consideration	0.0
<b>Total consideration</b>	<b>6.7</b>

Goodwill is attributable to the profitability of the acquired company and the expected synergies with other Knowit firms. Assets and liabilities included in the acquisitions were as follows.

SEK M	TOTAL
Current assets	2.4
Liquid funds	1.0
Other liabilities	-1.7
<b>Total identifiable net assets</b>	<b>1.7</b>
Goodwill	5.0
	<b>6.7</b>
Consideration settled in cash	-6.7
Liquid funds in acquired companies	1.0
<b>Effects of acquisitions on the Group's cash and cash equivalents</b>	<b>-5.7</b>

The acquired company have during the year contributed with SEK 6.9 million in net sales and SEK 0.1 million in operating result before depreciations of intangible assets (EBITA).