

# Interim report

January – March 2021

# Q1

## Good start to the year

### Financial highlights first quarter

- › Net sales increased to SEK 234 m (212), organic growth was 5%.
- › EBITA amounted to SEK 95 m (88) with EBITA margin of 40.7% (41.6%).
- › Adjusted EBITA amounted to SEK 95 m (88) with adjusted EBITA margin of 40.7% (41.6%).
- › Net result amounted to SEK 40 m (29).
- › Earnings per share after dilution amounted to SEK 0.40 (0.30).
- › Adjusted operating cash flow amounted to SEK 104 m (170).

### Business highlights first quarter

- › Karnov Group closes the acquisition of DIBkunnskap AS and the company is consolidated in the Group's financials from 5 January 2021.
- › Karnov Group acquires the Danish legal tech start-up Onlaw ApS. The acquisition is part of Karnov Group's strategy of establishing a broad technology platform that creates increased relevance and efficiency for professionals working with legal information.
- › Pontus Bodelsson will assume his position as new President and CEO of Karnov Group on 8 May 2021.

### Key financial ratios for the Group\*

TSEK	Q1			Jan-Dec
	2021	2020	Δ%	2020
Net sales	233,519	211,961	10.2%	771,416
Organic growth, %	5.0%	2.3%		2.1%
EBITA	94,996	88,218	7.7%	275,955
EBITA margin, %	40.7%	41.6%		35.8%
Adjusted EBITA	94,996	88,218	7.7%	288,158
Adjusted EBITA margin, %	40.7%	41.6%		37.4%
Net result	39,719	29,084	36.6%	100,004
Adjusted cash flow from operating activities	104,288	170,348	-38.8%	413,762

\* For more information see Financial definitions and Note 7 for calculations of Alternative Performance Measures.

# Comments by the CEO

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Our organic growth in the first quarter was 5.0 percent, mainly due to increased online sales compared to last year. Acquired growth from DIBkunnskap AS and LEXNordics AB contributed with an additional 8.0 percent.

We have launched our new updated platform in Denmark and the platform will continuously be enhanced while onboarding our users over the coming months.

”



**Flemming Breinholt**  
President and CEO

We have had a positive start to 2021, with continued growth and solid margins. Our new family member DIBkunnskap has performed well and is consolidated in the Group's financials for the quarter. We have also launched our new updated platform in Denmark.

## Solid financial results

Our organic growth in the first quarter was 5.0 percent, mainly due to increased online sales compared to last year. Acquired growth from DIBkunnskap AS and LEXNordics AB contributed with an additional 8.0 percent. DIBkunnskap AS' financials are consolidated in the new segment Sweden/Norway. Offline sales were on similar levels to last year, which is a strong result above normal market trend.

The first quarter typically has the highest margin in a fiscal year. This year, our adjusted EBITA margin was 40.7 percent. The result was due to a combination of higher net sales, primarily of online products, along with efficiency gains in our strive for operational excellence. DIBkunnskap AS has diluted the adjusted EBITA margin on group level with approximately 1 percentage point as earlier announced.

As normal for the first quarter, we have had a strong cash flow generation. We have strengthened our processes and we therefore have a seasonality effect as the great majority of subscriptions were renewed and paid in Q4 2020. Following the acquisition of DIBkunnskap AS, our leverage has increased to 2.8 times, but still below our financial target.

## New improved platform in Denmark and more products to come

We have launched our new updated platform in Denmark and the platform will continuously be enhanced while onboarding our users over the coming months. We are pleased with the feedback we have received, showing that the updated platform is an appreciated initiative. We also plan to launch additional new products in Denmark in 2021, including an offering for municipalities, similar to our offering in Sweden.

In Sweden, we have started the year on a strong note with considerable growth driven by upselling to existing customers and sales to new customers, especially within the areas of public sector, municipalities and EHS.

In Norway we have experienced a good performance from our newly acquired business DIBkunnskap AS.

## Update on the Covid-19 pandemic

We are pleased to see that vaccinations against the Covid-19 virus are progressing globally, and we look forward to meeting all employees, authors, experts and customers in person again soon. We continue to follow the regulations and recommendations from the authorities.

In the first quarter, our non-subscription part of the offline business, mainly books, public trades and sales of legal training courses, have been on a similar level to last year. Our customers have also adapted well to the Covid-19 restrictions. We are starting to see the demand normalising for our offline products, being in line with the overall market trend of online sales growing and offline sales declining. We are content with this, as the rest of the year will be compared to quarters fully impacted by the Covid-19 pandemic.

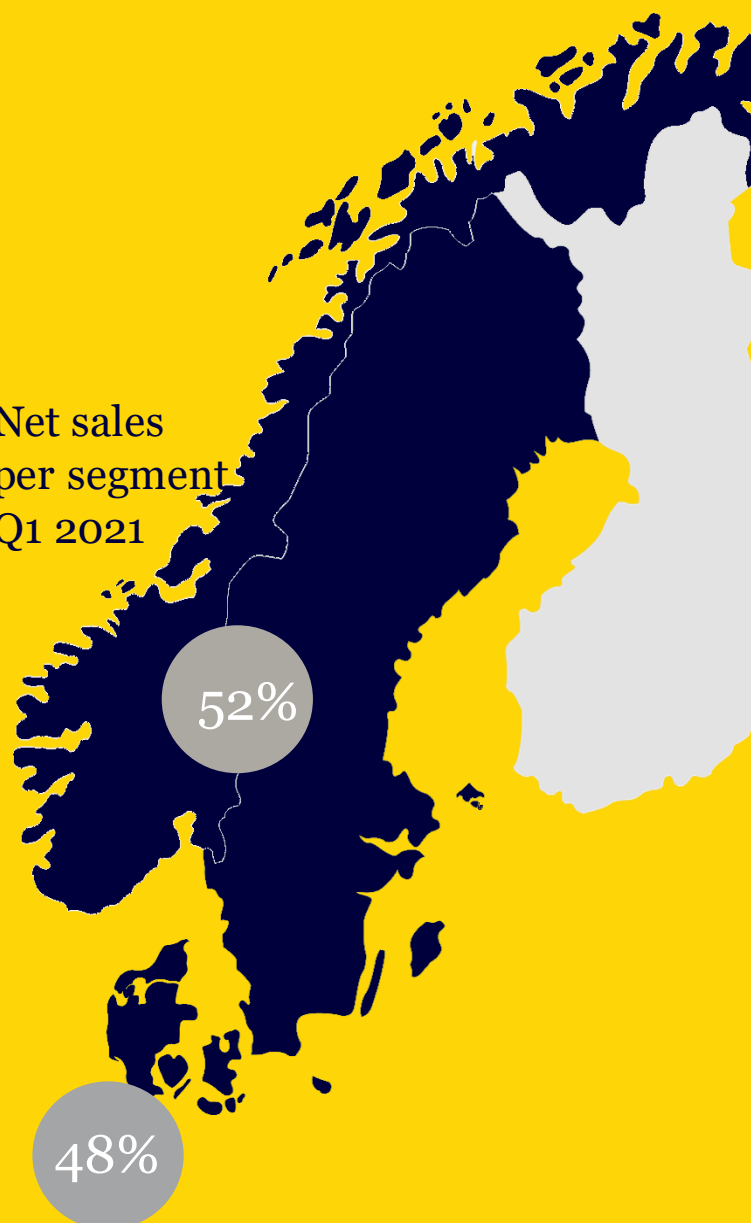
# Karnov Group in brief

Karnov Group is a leading provider of mission critical information in the areas of legal, tax and accounting, and environmental, health and safety in Denmark, Sweden and Norway. Under a strong portfolio of brands including Karnov, Norstedts Juridik, Notisum, Legal Cross Border, Forlaget Andersen, LEXNordics and DIBkunnskap, Karnov Group delivers knowledge and insights, to more than 80,000 users – every day.

## PARTNER IN INFORMATION

- Karnov Group was founded in Copenhagen in 1924 on one person's belief that access to the law is the foundation of every great society and our legacy dates back to 1867.
- Over time, the Company has evolved from a traditional publishing company to a digital value creator.
- Karnov Group's mission is to be an indispensable partner for all legal, tax and accounting professionals and enable its users to make better decisions, faster by delivering the highest quality of content within a state-of-the-art user experience to support their workflow efficiency.
- Karnov Group's products are largely digital, including subscription-based online solutions for law firms, tax and accounting firms, corporates and the public sector including courts, universities, public authorities and municipalities.
- Karnov Group also publishes and sells printed books and journals and hosts legal training courses.
- Karnov Group continuously adds more value through development of new verticals and investments in adjacent companies with technologies helping professionals in taking better decisions, faster.

Net sales  
per segment  
Q1 2021



## Karnov Group's medium-term financial targets

### GROWTH

Net sales organic annual growth of 3-5% in the medium term, supplemented by selective acquisitions.

### PROFITABILITY

Increased Adjusted EBITA margin in the medium term.

### CAPITAL

#### STRUCTURE

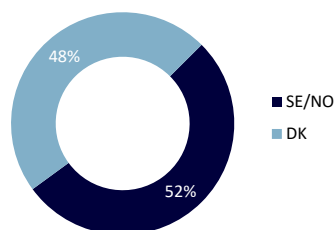
Ratio of Net debt to Adjusted EBITDA of no more than 3.0. This level may temporarily be exceeded, for example as a result of acquisitions.

### DIVIDEND POLICY

The objective is to distribute 30–50% of the purchase price allocation (PPA) adjusted net profit, taking investment opportunities and financial position into consideration.

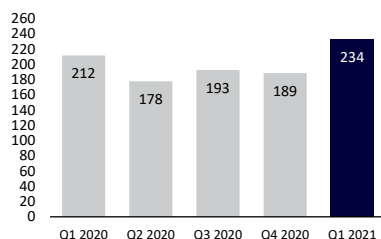
# Group financial performance

Net sales by country per first quarter, %

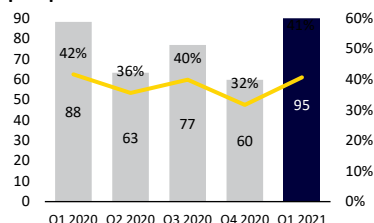


**10%**  
Net sales growth

Net sales per quarter, SEKm



Adjusted EBITA, SEKm and margin, % per quarter



## First quarter

TSEK	Q1			Jan-Dec
	2021	2020	Δ%	2020
Net sales	233,519	211,961	10.2%	771,416
Organic growth, %	5.0%	2.3%		2.1%
EBITA	94,996	88,218	7.7%	275,955
EBITA margin, %	40.7%	41.6%		35.8%
Adjusted EBITA	94,996	88,218	7.7%	288,158
Adjusted EBITA margin, %	40.7%	41.6%		37.4%

### Net sales and growth

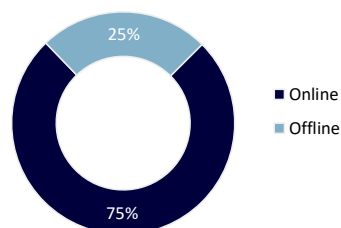
For the three-month period, January-March 2021, net sales increased to SEK 234 m (212) compared with the corresponding quarter last year including SEK 17 m from acquired business. Organic growth on a constant currency basis was 5.0 percent, currency effects had a negative impact on net sales of -2.8 percent and acquired growth accounted for 8.0 percent. The driver for the growth was increased online sales, both due to upselling to existing customers and sales of new products to existing and new customers. Offline sales were on similar levels to last year, which is better than the normal market decline we have seen for the last year.

### Operating income

EBITA for the quarter amounted to SEK 95 m (88) and EBITA margin amounted to 40.7 percent (41.6). The acquisition of DIBkunnskap AS has diluted the adjusted EBITA margin on group level by approximately 1 percentage point. The high margin was due to a combination of higher net sales, primarily of online products, along with efficiency gains in our strive for operational excellence.

Operating profit (EBIT) was SEK 57 m (51) for the quarter.

#### Net sales split per first quarter, %



# 41%

Adjusted EBITA margin



# 98%

Cash conversion

#### Net financial items

Net financial items for the quarter amounted to SEK -11 m (-16). Currency effect for the quarter was SEK -6 m (11), relating to long-term loans in DKK.

#### Profit before and after tax, Earnings per share

Profit before tax increased by SEK 10 m to SEK 46 m (36).

Profit after tax increased to SEK 40 m (29). Taxes amounted to SEK 7 m (6).

Earnings per share after dilution was SEK 0.40 (0.30).

#### Cash flow and investments

Cash flow from operating activities for the quarter decreased by SEK 68 m to SEK 98 m (166). The decrease reflects a SEK 88 m negative effect from working capital, which mainly relates to timing of invoicing effecting receivables and prepaid income.

Total investments for the quarter amounted to SEK 288 m (31), whereof SEK 263 m is related to the acquisition of DIBkunnskap AS.

Total financing for the quarter amounted to SEK 4 m (305) related to changes in lease liabilities. The comparable period last year includes a SEK 309 m draw down on short term borrowings to increase our cash position.

The cash flow generation was positive in the first quarter, despite a decrease of SEK 66 m to SEK 104 m (170) on adjusted cash flow from operating activities in the quarter compared to last year. The invoicing season is normally Q4 and Q1. We have strengthened our processes and we therefore have a seasonality effect as the great majority of subscriptions were renewed and paid in Q4 2020. Combining Q4 2020 and Q1 2021 cash flows, we have a higher cash conversion rate, and we are proud to have improved it from the previous invoicing season. As the level of receivables were normalised by end of the quarter the timing effect is expected to not continue.

The cash conversion rate was 98 percent (173).

Cash conversion TSEK	Q1		Jan-Dec
	2021	2020	2020
Adjusted EBITDA	106,631	98,285	333,634
Adjusted cash flow from operating activities	104,288	170,348	413,762
<b>Cash conversion, %</b>	<b>97.8%</b>	<b>173.3%</b>	<b>124.0%</b>



# 2.8

## Leverage

### Financial position

Net debt was SEK 958 m (755) at the end of the period. The increase in net debt is mainly driven by payment for the acquisition of DIBkunnskap AS.

The leverage at the end of the period was 2.8 (2.3) times and the equity ratio was 42.2 (42.8) percent with an equity of SEK 1,638 m (1,619).

Net Debt TSEK	Q1		Jan-Dec
	2021	2020	2020
Total borrowings	1,318,632	1,249,155	1,196,087
Cash and cash equivalents	360,797	493,933	552,921
<b>Net debt</b>	<b>957,835</b>	<b>755,222</b>	<b>643,166</b>
Leverage ratio	2.8	2.3	1.9
Equity	1,637,652	1,618,794	1,550,840
Equity/asset ratio, %	42.2%	42.8%	42.0%

Cash and cash equivalents at the end of the period amounted to SEK 361 m (494) and the Group had unutilized credit lines of SEK 237 m (200).

# Significant events

## First quarter

- On 5 January 2021 Karnov Group closed the acquisition of market leading Norwegian knowledge workflow-tool supplier DIBkunnskap AS. The acquisition further strengthens Karnov Group's position as a leading supplier of legal knowledge management solutions in Scandinavia.
- Karnov Group acquires the Danish legal tech start-up Onlaw ApS. The acquisition is part of Karnov Group's strategy of establishing a broad technology platform that creates increased relevance and efficiency for professionals working with legal information.
- The Board of Directors of Karnov Group AB (publ) appoints Pontus Bodelsson as the new President and CEO of Karnov Group. The decision follows Flemming Breinholt's desire to resign from his position. Flemming Breinholt will resign and Pontus Bodelsson will assume his position on 8 May 2021.

## Events after the end of the period

- No events have occurred after the reporting date of importance to the financial statements.

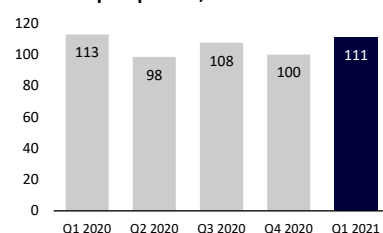
# Segment performance

## Denmark

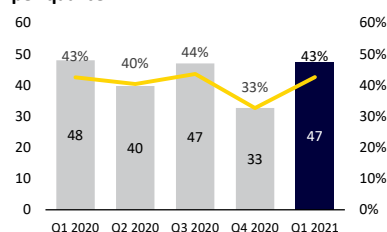
The Danish segment offers a wide range of online and offline solutions for legal, tax and accounting professionals, assisting them in their research and providing qualitative advisory services. The segment includes Karnov Group Denmark, Forlaget Andersen and Legal Cross Border.

TSEK	Q1		Δ%	Jan-Dec
	2021	2020		2020
Net sales	111,051	112,928	-1.7%	419,207
Organic growth, %	3.1%	1.5%		0.5%
EBITA	47,292	48,012	-1.5%	165,782
EBITA margin, %	42.6%	42.5%		39.5%
Adjusted EBITA	47,292	48,012	-1.5%	167,491
Adjusted EBITA margin, %	42.6%	42.5%		40.0%

Net sales per quarter, SEKm



Adjusted EBITA, SEKm and margin, % per quarter



### Net sales and growth

Organic growth for the quarter 3.1 percent (1.5). However, net sales for the quarter decreased by 1.7 percent to SEK 111 m (113) due to currency effects having a negative impact of -4.8 percent. The organic growth is mainly driven by online sales due to upselling to existing customers and sales of new products. Offline sales were on similar levels to last year which is above market trend.

Our new products launched in 2020 have been well received by our customers and we will continue being active in the Danish market. We plan to launch new products in 2021, including an offering for municipalities, similar to our offering in Sweden.

The updated platform is now launched in Denmark, with a steady progress as regards to onboarding users and adding features. We experience a high customer satisfaction. All new users are onboarded to the updated platform.

### Operating income

EBITA and adjusted EBITA amounted to SEK 47 m (48) and EBITA margin to 42.6 percent (42.5).

Operating profit (EBIT) for the quarter was flat at SEK 32 m (32) compared to same period last year.





# Segment performance (cont.)

## Sweden/Norway

The Sweden/Norway segment is specialised in online and offline legal solutions; the environmental, health and safety compliance; legal classroom training and e-courses.

The segment provides online tools for the broad legal services market, including contract templates. The segment includes Norstedts Juridik, Notisum, LEXNordics and DIBkunnskap.

TSEK	Q1		Δ%	Jan-Dec
	2021	2020		2020
Net sales	122,468	99,033	23.7%	352,209
Organic growth, %	7.2%	3.2%		4.2%
EBITA	47,702	40,206	18.6%	110,173
EBITA margin, %	39.0%	40.6%		31.3%
Adjusted EBITA	47,702	40,206	18.6%	120,667
Adjusted EBITA margin, %	39.0%	40.6%		34.3%

### Net sales and growth

Net sales for the quarter increased by 23.7 percent to SEK 122 m (99) including SEK 17 m from acquired business. Organic growth was 7.2 percent (3.2) driven by online sales, upselling to existing customers and sales of new products to both existing and new customers. Currency effects had a negative impact of -0.6 percent.

Our newly acquired business DIBkunnskap AS has performed well in the quarter. Further, we have seen good development in municipalities, public sector and in our EHS vertical. Offline sales were on similar levels to last year, above market trends.

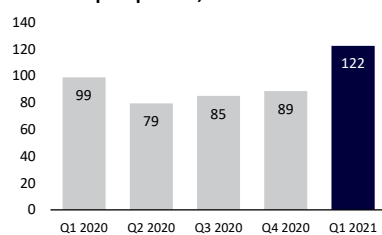
Acquired growth accounts for 17.1 percent (0.0) in the quarter.

### Operating income

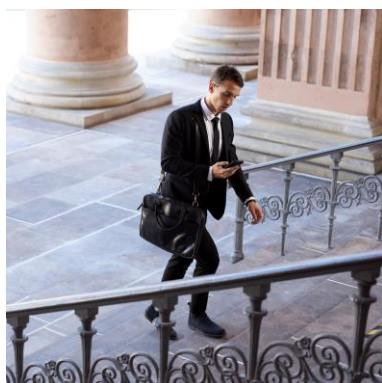
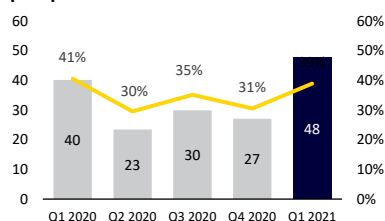
EBITA and adjusted EBITA was SEK 48 m (40) driven by the increase in net sales. Adjusted EBITA margin was 39.0 percent (40.6). DIBkunnskap AS has diluted the margin in the Sweden/Norway segment with approximately 2 percentage points.

Operating profit (EBIT) was SEK 25 m (20). Depreciations and amortisations increased by SEK 3 m compared to the corresponding quarter 2020.

Net sales per quarter, SEKm



Adjusted EBITA, SEKm and margin, % per quarter



# Other information

## Risks and uncertainties

Through its operations Karnov Group is exposed to different risks, which can give rise to fluctuations in earnings and cash flow. Material risks and uncertainties include sector and market-related risks, business-related risks and financial risks.

The current Covid-19 pandemic continues to affect all global markets and the Group is following the situation on continuously basis. The Group operates in the legal and tax professional market in Denmark and Sweden. These markets encompass, among other things, online information database services, printed information sources, legal practice management software and legal training courses. The products and services are generally offered to law firms, tax and accounting firms, corporates in a wide range of industries and the public sector, including courts, libraries, universities and other public authorities and municipalities.

The nature of the market and the products offered in combination with the Group's business model with approximately 85-90% subscription-based revenue, the Group assess that the virus will have no impact on online revenue on a short-term basis.

Karnov's significant risks and risk management are described on page 52-53 of the 2020 Annual report, available at the Company's website [www.karnovgroup.com](http://www.karnovgroup.com).

## Seasonal variations

Typically, a significant proportion of Karnov Group's online contracts is renewed and invoiced during the fourth quarter, impacting cash flow during the fourth and first quarters. Online net sales are accrued according to the terms of the agreement and therefore are not exposed to any seasonality. Offline net sales are exposed to seasonality where the first quarter is significantly stronger, driven by a higher share of book sales early in the year.

## Employees

Average number of Full-Time Employees (FTEs) in the first quarter amounted to 284 (240). The increase is mainly due to the acquisition of DIBkunnskap AS. On average during the first quarter, 50% (49%) of the workforce were males and 50% (51%) females.

## Shares, share capital and shareholders

Karnov Group's share was listed on Nasdaq Stockholm on 11 April 2019, Mid Cap segment, under the ticker KAR. On 5 January 2021 the Company closed the transaction of DIBkunnskap AS and issued 178,675 ordinary shares of series A as part of the payment.

On 31 March 2021, the total number of shares and votes in Karnov Group AB (publ) amounts to 98,274,589 shares and 97,891,776.7 votes. Each share has a quotient value of approximately SEK 0.015385. The total number of shares consists of 97,849,242 ordinary shares, which carry one vote per share, and 425,347 shares of series C, which carry one-tenth of a vote per share. A detailed description of changes in the share capital is

available on the Company's website,

[www.karnovgroup.com/en/share-capital-development/](http://www.karnovgroup.com/en/share-capital-development/).

On 31 March 2021, the Company had 1,366 known shareholders. The five largest shareholders in Karnov Group AB (publ) were Kayne Anderson Rudnick, Invesco, M&G Investment Management, Janus Henderson Investors and Lazard Asset Management.

## Incentive programs

Karnov Group has implemented two long-term incentive programs in the form of share savings programs. The purpose of the programs is to encourage a broad ownership amongst the Company's employees, retain competent employees, facilitate recruitment, increase the alignment of interest between the employees and the Company's shareholders and increase motivation to reach or exceed the Company's financial targets. 153 employees in Karnov have chosen to invest in Karnov and participate in the share savings programs.

The employees participating in the programs have allocated acquired or already held ordinary shares to the program (so-called savings shares). The maximum investment permitted in savings shares depends on the category of the participant. The participants have allocated a total of 137,465 savings shares to the program. Full allotment would mean that the total number of shares under the program will amount to no more than 425,347 ordinary shares, corresponding to approximately 0.4 per cent of the total number of shares outstanding in the Company. For more information see [www.karnovgroup.com/en/incentive-program/](http://www.karnovgroup.com/en/incentive-program/)

## Related-party transactions

Karnov Group did not undertake any significant transactions with related parties in the first quarter 2021 except from compensation and benefits to the Board members and managing director received as a result of their membership of the Board, employment with Karnov Group or shareholdings in Karnov Group AB.

## Parent Company

Net sales for the quarter amounted to SEK 0 m (0). Operating profit for the quarter amounted to SEK -6 m (-7).

## Outlook

Karnov Group does not provide financial forecasts.

## Review

This interim report has not been subject to a review by the Company's auditors.

## Disclosure

This interim report contains inside information that Karnov Group AB (publ) is required to make public pursuant to the EU Market Abuse Regulation (MAR). The information was submitted for publication by the contact person below on 5 May 2021 at 8.00 am CEST.

## Karnov Group AB (publ)

Stockholm, 5 May 2021

Flemming Breinholt  
President and CEO

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## Q1 presentation webcast

Karnov Group will present the first quarter for analysts and investors via a webcast teleconference on 5 May at 10.00 am CEST.

To participate, use the following link:  
<https://tv.streamfabriken.com/karnov-group-q1-2021>

or dial-in numbers:

SE: +46 8 505 583 74

DK: +45 7 815 0109

NO: +47 2 350 0236

UK: +44 333 300 92 64

US: +1 833 526 8382

The presentation will also be available on [www.financialhearings.com](http://www.financialhearings.com)

## Financial calendar 2021

Annual General Meeting  
5 May, 2021

Half-year report January-June 2021  
26 August, 2021

Interim report January-September 2021  
4 November, 2021

# Consolidated statement of comprehensive income

TSEK	Note	Q1		Jan-Dec
		2021	2020	2020
Net sales	5	233,519	211,961	771,416
<b>Total revenue</b>		<b>233,519</b>	<b>211,961</b>	<b>771,416</b>
Goods for resale		-38,151	-37,348	-131,754
Employee benefit expenses		-68,705	-53,593	-234,667
Depreciations and amortisations		-49,569	-47,025	-190,389
Other operating expenses		-20,032	-22,734	-83,564
<b>Operating profit</b>		<b>57,062</b>	<b>51,261</b>	<b>131,042</b>
Financial income		85	56	14,503
Financial expenses		-10,879	-15,769	-24,970
<b>Net financial items</b>		<b>-10,794</b>	<b>-15,713</b>	<b>-10,467</b>
<b>Profit before income tax</b>		<b>46,268</b>	<b>35,548</b>	<b>120,575</b>
Income tax expense		-6,549	-6,464	-20,571
<b>Net result</b>		<b>39,719</b>	<b>29,084</b>	<b>100,004</b>
<b>Other comprehensive income:</b>				
Items that may be reclassified to profit or loss:				
Exchange differences on translation of foreign operations		32,342	61,675	-43,354
<b>Total comprehensive income for the period</b>		<b>72,061</b>	<b>90,759</b>	<b>56,650</b>
<b>Profit for the period is attributable to:</b>				
Owners of Karnov Group AB		39,754	29,133	99,903
Non-controlling interests		-35	-49	101
<b>Net result</b>		<b>39,719</b>	<b>29,084</b>	<b>100,004</b>
<b>Total comprehensive income for the period is attributable to:</b>				
Owners of Karnov Group AB		75,997	90,808	56,549
Non-controlling interests		-32	-49	101
<b>Total comprehensive income</b>		<b>75,965</b>	<b>90,759</b>	<b>56,650</b>
Earnings per share, basic, SEK	4	0.41	0.30	1.02
Earnings per share, after dilution, SEK	4	0.40	0.30	1.02

For further information and details on earnings per share please refer to note 4.

# Consolidated balance sheet

TSEK	Note	31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>ASSETS:</b>				
Goodwill		1,868,702	1,727,739	1,623,978
Other intangible assets		1,299,753	1,278,859	1,149,935
Right-of-use assets		106,215	111,296	95,545
Property, plant and equipment (PPE)		6,774	5,188	6,280
Investments in associated companies		70,678	63,821	70,347
Loans to associated companies		10,952	3,172	3,036
Deposits		2,632	2,900	2,528
<b>Total non-current assets</b>		<b>3,365,706</b>	<b>3,192,975</b>	<b>2,951,649</b>
Inventories		12,775	15,083	10,011
Trade receivables	3	62,308	58,046	148,214
Prepaid expenses		7,358	10,902	7,556
Other receivables		1,572	14,411	986
Tax receivable		67,518	-	17,446
Cash and cash equivalents	3	360,797	493,933	552,921
<b>Total current assets</b>		<b>512,328</b>	<b>592,375</b>	<b>737,134</b>
<b>TOTAL ASSETS</b>		<b>3,878,034</b>	<b>3,785,350</b>	<b>3,688,783</b>
<b>EQUITY AND LIABILITIES:</b>				
Share capital		1,512	1,503	1,509
Share premium		2,072,096	2,062,361	2,062,361
Treasury shares		-6	-	-6
Reserves		-327,432	-258,645	-363,675
Retained earnings including net profit for the year		-115,722	-186,651	-156,585
<b>Total equity attributable to the parent company's shareholders</b>		<b>1,630,448</b>	<b>1,618,568</b>	<b>1,543,604</b>
Non-controlling interest		7,204	226	7,236
<b>Total equity</b>		<b>1,637,652</b>	<b>1,618,794</b>	<b>1,550,840</b>
Non-current liabilities				
Borrowing from credit institutions	3	1,207,985	865,425	1,196,087
Lease liabilities		97,865	101,723	86,539
Deferred tax liability		174,030	170,299	153,239
Provisions		5,613	5,847	5,454
Other non-current liabilities		38,519	38,907	38,612
<b>Total non-current liabilities</b>		<b>1,524,012</b>	<b>1,182,201</b>	<b>1,479,931</b>
Current liabilities				
Borrowing from credit institutions	3	-	383,730	-
Trade payables	3	7,053	11,465	12,395
Current tax liabilities		61,045	25,917	10,595
Accrued expenses		130,355	132,029	136,585
Prepaid income		443,825	394,999	428,436
Lease liabilities		12,782	12,125	12,842
Other current liabilities	3	61,310	24,090	57,159
<b>Total current liabilities</b>		<b>716,370</b>	<b>984,355</b>	<b>658,012</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,878,034</b>	<b>3,785,350</b>	<b>3,688,783</b>

# Consolidated statement of changes in equity

TSEK	Equity attributable to the parent company's shareholders						Equity attributable to the parent company's shareholders	Non-controlling interest	Total equity
	Share capital	Share premium	Treasury shares	Reserves	Retained earnings				
<b>Balance at January 1, 2020</b>	<b>1,503</b>	<b>2,062,361</b>	-	<b>-320,320</b>	<b>-217,050</b>	<b>1,526,494</b>	<b>275</b>	<b>1,526,769</b>	
Adjustment to prior years	-	-	-	-	0	0	0	-	
<b>Restated balance at January 1, 2020</b>	<b>1,503</b>	<b>2,062,361</b>	-	<b>-320,320</b>	<b>-217,050</b>	<b>1,526,494</b>	<b>275</b>	<b>1,526,769</b>	
Net result	-	-	-	-	29,133	29,133	-49	29,084	
Other comprehensive income for the period	-	-	-	61,675	-	61,675	-	61,675	
<b>Total comprehensive income/loss</b>	-	-	-	<b>61,675</b>	<b>29,133</b>	<b>90,808</b>	<b>-49</b>	<b>90,759</b>	
<b>Transaction with shareholders in their capacity as owners:</b>									
Purchase of shares from non-controlling interest	-	-	-	-	-	-	-19,118	-19,117	
Sharebased payment	-	-	-	-	1,266	1,266	-	1,266	
<b>Total transaction with shareholders</b>	-	-	-	-	<b>1,266</b>	<b>1,266</b>	<b>-19,118</b>	<b>-17,851</b>	
<b>Closing balance at March 31, 2020</b>	<b>1,503</b>	<b>2,062,361</b>	-	<b>-258,645</b>	<b>-186,650</b>	<b>1,618,569</b>	<b>-18,892</b>	<b>1,599,677</b>	

TSEK	Equity attributable to the parent company's shareholders						Equity attributable to the parent company's shareholders	Non-controlling interest	Total equity
	Share capital	Share premium	Treasury shares	Reserves	Retained earnings				
<b>Balance at January 1, 2021</b>	<b>1,509</b>	<b>2,062,361</b>	-6	<b>-363,675</b>	<b>-156,585</b>	<b>1,543,604</b>	<b>7,236</b>	<b>1,550,840</b>	
Net result	-	-	-	-	39,754	39,754	-35	39,719	
Other comprehensive income for the period	-	-	-	36,243	-	36,243	3	36,246	
<b>Total comprehensive income/loss</b>	-	-	-	<b>36,243</b>	<b>39,754</b>	<b>75,997</b>	<b>-32</b>	<b>75,965</b>	
<b>Transaction with shareholders in their capacity as owners:</b>									
Sharebased payment	-	-	-	-	1,109	1,109	-	1,109	
Dividend paid	-	-	-	-	-	-	-	-	
<b>Total transaction with shareholders</b>	<b>3</b>	<b>9,735</b>	-	-	<b>1,109</b>	<b>10,847</b>	-	<b>10,847</b>	
<b>Closing balance at March 31, 2021</b>	<b>1,512</b>	<b>2,072,096</b>	-6	<b>-327,432</b>	<b>-115,722</b>	<b>1,630,448</b>	<b>7,204</b>	<b>1,637,652</b>	

# Consolidated statement of cash flows

TSEK	Q1		Jan-Dec
	2021	2020	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating profit	57,062	51,266	131,042
<b>Adjustments:</b>			
Non-cash items	50,727	36,464	199,968
<b>Effect of changes in working capital:</b>			
Increase/decrease in inventories	-2,765	-1,985	3,086
Increase/decrease in receivables	96,312	148,920	75,694
Increase/decrease in trade payables and other payables	-64,816	-47,219	19,217
Increase/decrease in prepaid income	-20,537	-4,587	28,850
Interest paid	-3,500	-4,907	-19,156
Income tax paid	-14,703	-11,671	-59,710
<b>Net effect of changes in working capital</b>	<b>-10,009</b>	<b>78,551</b>	<b>47,982</b>
<b>Cash flow from operating activities</b>	<b>97,780</b>	<b>166,281</b>	<b>378,992</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of participations in associated companies	-	-3,743	-25,466
Acquisition of subsidiaries	-262,800	-14,094	-4,245
Loan to associated companies	-7,917	-235	-
Acquisition of intangible assets	-17,199	-13,109	-79,690
Acquisition of PPE	-	-	-2,947
<b>Cash flow from investing activities</b>	<b>-287,916</b>	<b>-31,181</b>	<b>-112,348</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/decrease in borrowings	-	308,730	294,297
Increase/decrease in lease liabilities	-3,563	-4,154	-14,891
Dividend paid	-	-	-43,952
<b>Cash flow from financing activities</b>	<b>-3,563</b>	<b>304,577</b>	<b>235,454</b>
<b>Cash flow for the period</b>	<b>-193,699</b>	<b>439,677</b>	<b>502,098</b>
Cash and cash equivalents at the beginning of the period	552,922	52,008	52,008
Exchange-rate differences in cash and cash equivalents	1,574	2,248	-1,184
<b>Cash and cash equivalents at the end of the period</b>	<b>360,797</b>	<b>493,933</b>	<b>552,922</b>

# Parent company income statement

TSEK	Note	Q1		Jan-Dec
		2021	2020	2020
Employee benefit expenses		-3,757	-2,149	-8,817
Other operating expenses		-1,987	-4,409	-20,810
<b>Operating profit</b>		<b>-5,744</b>	<b>-6,558</b>	<b>-29,627</b>
Financial income		3,825	5,905	18,874
Financial expenses		-29	-9	-355
<b>Net financial items</b>		<b>3,796</b>	<b>5,896</b>	<b>18,519</b>
<b>Profit before income tax</b>		<b>-1,948</b>	<b>-662</b>	<b>-11,108</b>
Income tax expense		-	-	-
<b>Net result</b>		<b>-1,948</b>	<b>-662</b>	<b>-11,108</b>
<b>Total comprehensive income</b>		<b>-1,948</b>	<b>-662</b>	<b>-11,108</b>



# Parent company balance sheet

TSEK	Note	31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>ASSETS:</b>				
Investments in group enterprises		1,149,925	1,143,458	1,149,925
Receivables from group enterprises		781,355	792,757	747,792
<b>Total non-current assets</b>		<b>1,931,280</b>	<b>1,936,215</b>	<b>1,897,718</b>
Receivables from group enterprises		-	-	206
Other receivables		1,423	9,119	450
Current tax receivable		-	41,634	-
Cash and cash equivalents		12,953	4,537	41,033
<b>Total current assets</b>		<b>14,376</b>	<b>55,290</b>	<b>42,247</b>
<b>TOTAL ASSETS</b>		<b>1,945,656</b>	<b>1,991,505</b>	<b>1,939,964</b>
TSEK		31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>EQUITY AND LIABILITIES:</b>				
<b>Restricted equity</b>				
Share capital		1,512	1,503	1,509
Treasury shares		-6	-	-6
<b>Non-restricted equity</b>				
Share premium		2,072,096	2,062,361	2,062,363
Retained earnings including net profit for the year		-130,187	-74,416	-128,356
<b>Total equity</b>		<b>1,943,415</b>	<b>1,989,448</b>	<b>1,935,510</b>
Trade payables		37	94	407
Trade payables from group companies		-	13	-
Accrued expenses		2,139	1,883	3,989
Other current liabilities		65	67	59
<b>Total current liabilities</b>		<b>2,241</b>	<b>2,057</b>	<b>4,454</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,945,656</b>	<b>1,991,505</b>	<b>1,939,964</b>

# Notes

## Note 1. Accounting policies

The consolidated interim financial statements for Karnov Group AB have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, RFR 1 Supplementary Accounting Regulations for Groups and the Swedish Annual Accounts Act.

The accounting policies used for this interim report 2021 are the same as the accounting policies used for the annual report 2020 to which we refer for a full description.

The interim financial statements for the parent company have been prepared in accordance with RFR 2, Accounting for Legal Entities, and the Swedish Annual Accounts Act.

## Note 2. Critical estimates and judgements

Preparation of financial statements requires the company management to make assessments and estimations along with assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and

expenses. The actual outcome may differ from these estimates. The critical assessments and sources of uncertainty in the estimates are the same as in the most recent annual report. See the Annual report 2020 Note 4, page 72, for further details regarding critical estimates and judgements.

## Note 3. Fair value of financial instruments

TSEK	Carrying amount			Fair value		
	31 Mar 2021	31 Mar 2020	31 Dec 2020	31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>FINANCIAL ASSETS</b>						
<b>Financial assets at amortised cost</b>						
Trade receivables	62,308	58,046	148,214	62,308	58,046	148,214
Cash and cash equivalents	360,797	493,933	552,921	360,797	493,933	552,921
<b>Total financial assets</b>	<b>423,105</b>	<b>551,979</b>	<b>701,135</b>	<b>423,105</b>	<b>551,979</b>	<b>701,135</b>
<b>FINANCIAL LIABILITIES</b>						
<b>Financial liabilities at fair value through profit or loss (FVPL)</b>						
Contingent considerations	43,431	14,439	9,537	43,431	14,439	9,537
<b>Liabilities at amortised cost</b>						
Trade payables	7,053	11,465	12,395	7,053	11,465	12,395
Non-current borrowing from credit institutions	1,207,985	865,425	1,196,087	1,207,985	865,425	1,196,087
Current borrowings from credit institutions	-	383,730	-	-	383,730	-
<b>Total financial liabilities</b>	<b>1,258,469</b>	<b>1,275,059</b>	<b>1,218,019</b>	<b>1,258,469</b>	<b>1,275,059</b>	<b>1,218,019</b>

### Trade receivables

Due to the short-term nature of trade receivables, their carrying amount is considered to be the same as their fair value.

### Cash and cash equivalents

Cash and cash equivalents are unsecured with a short credit period and are therefore considered to have a fair value equal to the carrying amount. These are classified at level 2 in the fair value hierarchy.

### Contingent consideration

The carrying amounts of contingent considerations are considered to be the same as the fair value. The fair value of the contingent considerations was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate at 7 percent. These are classified at level 3 in the fair value hierarchy.

### Trade payables

Trade payables are unsecured and are usually paid within 30 days of recognition. Due to the short-term nature of trade payables, their carrying amounts are considered to be the same as their fair value.

### Non-current borrowing from credit institutions

The carrying amount of non-current borrowings is considered to be the same as their fair values, since interest payable on those borrowings is close to current market rates. These are classified at level 2 in the fair value hierarchy.

### Current borrowings from credit institutions

The fair value of current borrowings is considered to be the same as the carrying amount since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. They are classified at level 2 in the fair value hierarchy.

### Deferred payments

Deferred payments are related to contractual undertakings to pay the full sum in future periods, and therefore the carrying amount is the same as the fair value. These are classified at level 2 in the fair value hierarchy.

## Note 4. Earnings per share

TSEK	Q1		Jan-Dec
	2021	2020	2020
Earnings attributable to shareholders	39,754	29,133	99,903
Weighted average number of ordinary shares	97,793,030	97,670,567	97,670,567
Diluted	98,218,377	97,997,733	98,095,914
Earnings per share, basic, SEK	0.41	0.30	1.02
Earnings per share, after dilution, SEK	0.40	0.30	1.02

## Note 5. Segment reporting and disaggregated revenue

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CEO has been identified as the chief operating decision maker and assesses the financial performance and position of the Group and makes strategic decisions. Within Karnov Group, operating segments are defined by geography and are monitored down to

EBIT level. Below EBIT level and on balance sheet and cash flow statements the assessment of financial performance and position is conducted entirely on Group level. Karnov's business operations are media independent and the Company monitors the overall net sales distribution trend between online and offline products at Group level.

TSEK	Denmark		Sweden/Norway		Total	
	Q1		Q1		Q1	
	2021	2020	2021	2020	2021	2020
Online					175,837	152,530
Offline					57,682	59,431
<b>Total net sales</b>	<b>111,051</b>	<b>112,928</b>	<b>122,468</b>	<b>99,033</b>	<b>233,519</b>	<b>211,961</b>
EBITDA	49,425	49,917	57,205	48,368	106,631	98,285
EBITA	47,292	48,012	47,702	40,206	94,996	88,218
EBIT	31,875	31,754	25,186	19,506	57,062	51,261
Net financial items					-10,794	-15,713
Profit before tax					46,268	35,548
Income tax expenses					-6,549	-6,464
Net result					39,719	29,084

## Note 6. Business combinations and similar transactions

### DIBkunnskap AS

On 5 January 2021, Karnov Group entered into an agreement to acquire 100 percent of the shares issued in DIBkunnskap AS at TSEK 338,610. DIBkunnskap is a market leader amongst accounting- and auditing firms as well as large enterprises and provides knowledge and workflow solutions on the Norwegian market, with a strong focus on creating efficiencies in the workflows of professionals. The transaction is entirely in line with Karnov Groups strategy to carry out selective and value accretive acquisitions. The acquisition allows Karnov Group to continue growth in a new vertical in Norway. The financial effects of this transaction have not been recognized as of December 31, 2020. Revenue, income as well as assets and liabilities belonging to the acquired company are consolidated from 5 January 2021. The purchase price allocation is illustrated on the following table.

The goodwill arising from the acquisition is attributable to DIBkunnskap AS's strong position and profitability on the market. The goodwill arising is not expected to be tax deductible in the event of future impairments.

Purchase price, TSEK	05 Jan 2021
Cash on closing	294.953
Loan note	9.636
Earn-out	34.021
<b>Total purchase price</b>	<b>338.610</b>

Reported amounts, TSEK	
Cash	27.837
PPE	264
Intangible assets: Customer relations	33.413
Intangible assets: Technology	112.703
Intangible assets: Other	8.130
Trade receivables and other receivables	11.391
Trade payables and other liabilities	-53.652
Deferred tax	-26.309
<b>Total identified assets</b>	<b>113.776</b>
Goodwill	224.834
<b>Total</b>	<b>338.610</b>

### Financing

The acquisition was paid with cash SEK 295 m. Further Karnov Group issued a loan note with a value of SEK 10 m which in January 2021 was converted to issue of 178,675 new ordinary shares of series A in Karnov Group AB (publ). In addition, part of

the purchase price is settled as an earn-out agreement which, if the agreed performance criteria are met, will be paid in 2022 and 2023 respectively.

## Note 7. Alternative performance measures

Karnov's financial statements include alternative performance measures, which complement the measures that are defined or specified in applicable rules for financial reporting. Alternative performance measures are presented since, in their context, they provide clearer or more in-depth information than the measures defined in applicable rules for financial reporting. The alternative

performance measures are derived from the Group's consolidated financial reporting and are not measured in accordance with IFRS.

Karnov's definition of these measures, which are not described under IFRS, is provided in the section Financial definitions. Reconciliation of the alternative performance measures is presented below.

Total net sales TSEK	Q1		Jan-Dec
	2021	2020	2020
Organic business	222,575	209,652	773,317
Acquired business	16,931	-	1,531
Currency	-5,987	2,309	-3,432
<b>Total net sales</b>	<b>233,519</b>	<b>211,961</b>	<b>771,416</b>

Total net sales split, % TSEK	Q1		Jan-Dec
	2021	2020	2020
Organic growth, %	5.0%	2.3%	2.1%
Acquired growth, %	8.0%	-	0.2%
Currency effect, %	-2.8%	1.1%	-0.5%
<b>Total growth, %</b>	<b>10.2%</b>	<b>3.4%</b>	<b>1.8%</b>

Items affecting comparability TSEK	Q1		Jan-Dec
	2021	2020	2020
Acquisition costs	-	-	-4,165
Restructuring costs	-	-	-8,038
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-12,203</b>

Group	Q1		Jan-Dec
	2021	2020	2020
<b>TSEK</b>			
Net sales	233,519	211,961	771,416
EBITDA	106,631	98,285	321,431
EBITDA margin, %	45.7%	46.4%	41.7%
Items affecting comparability	-	-	12,203
Adjusted EBITDA	106,631	98,285	333,634
Adjusted EBITDA margin, %	45.7%	46.4%	43.2%
Depreciations and amortisations	-11,635	-10,067	-45,476
EBITA	94,996	88,218	275,955
EBITA margin, %	40.7%	41.6%	35.8%
Adjusted EBITA	94,996	88,218	288,158
Adjusted EBITA margin, %	40.7%	41.6%	37.4%
Amortisation (acquisitions)	-37,934	-36,957	-144,913
EBIT	57,062	51,261	131,042
<b>Denmark</b>			
<b>TSEK</b>			
Net sales	111,051	112,928	419,207
EBITDA	49,425	49,917	176,029
EBITDA margin, %	44.5%	44.2%	42.0%
Items affecting comparability	-	-	1,709
Adjusted EBITDA	49,425	49,917	177,738
Adjusted EBITDA margin, %	44.5%	44.2%	42.4%
Depreciations and amortisations	-2,133	-1,905	-10,247
EBITA	47,292	48,012	165,782
EBITA margin, %	42.6%	42.6%	39.5%
Adjusted EBITA	47,292	48,012	167,491
Adjusted EBITA margin, %	42.6%	42.5%	40.0%
Amortisation (acquisitions)	-15,417	-16,257	-61,255
EBIT	31,875	31,754	104,527

Sweden/Norway	Q1		Jan-Dec
	2021	2020	2020
TSEK			
Net sales	122,468	99,033	352,209
EBITDA	57,205	48,368	145,401
EBITDA margin, %	46.7%	48.8%	41.3%
Items affecting comparability	-	-	10,494
Adjusted EBITDA	57,206	48,368	155,895
Adjusted EBITDA margin, %	46.7%	48.8%	44.3%
Depreciations and amortisations	-9,504	-8,162	-35,228
EBITA	47,702	40,206	110,173
EBITA margin, %	39.0%	40.6%	31.3%
Adjusted EBITA	47,702	40,206	120,667
Adjusted EBITA margin, %	39.0%	40.6%	34.3%
Amortisation (acquisitions)	-22,515	-20,700	-83,659
EBIT	25,186	19,506	26,515
<b>Return on capital</b>			
TSEK	31 Mar 2021	31 Mar 2020	31 Dec 2020
EBIT	57,062	51,261	131,042
Total assets	3,878,034	3,785,350	3,688,783
<b>Return on capital, %</b>	<b>1.5%</b>	<b>1.4%</b>	<b>3.6%</b>
<b>Net working capital</b>			
TSEK	31 Mar 2021	31 Mar 2020	31 Dec 2020
Current assets	512,328	592,375	737,134
Current liabilities	716,370	984,355	658,012
<b>Net working capital</b>	<b>-204,042</b>	<b>-391,980</b>	<b>79,122</b>
<b>Cash conversion</b>			
	Q1		Jan-Dec
TSEK	2021	2020	2020
<b>Adjusted EBITDA</b>	<b>106,631</b>	<b>98,285</b>	<b>333,634</b>
Cash flow from operating activities	97,780	166,281	378,992
Interest paid	3,500	4,907	19,156
Income tax paid	14,703	11,671	59,710
Items affecting comparability	-	-	12,203
Capex related to new product development	-11,696	-12,511	-56,298
<b>Adjusted cash flow from operating activities</b>	<b>104,287</b>	<b>170,348</b>	<b>413,762</b>
<b>Cash conversion, %</b>	<b>97.8%</b>	<b>173.3%</b>	<b>124.0%</b>

**Net debt**

TSEK	31 Mar 2021	31 Mar 2020	31 Dec 2020
Non-current borrowing from credit institutions	1,207,985	865,425	1,196,087
Leasing liabilities, long term	97,865	101,723	86,539
Current borrowing from credit institutions	-	383,730	-
Leasing liabilities, short term	12,782	12,125	12,842
Cash and cash equivalents	360,797	493,933	552,921
<b>Net debt</b>	<b>957,836</b>	<b>755,222</b>	<b>643,166</b>

**Leverage ratio**

TSEK	31 Mar 2021	31 Mar 2020	31 Dec 2020
Adjusted EBITDA LTM	341,981	324,997	333,634
Net debt	957,836	755,222	643,166
<b>Leverage ratio</b>	<b>2.8</b>	<b>2.3</b>	<b>1.9</b>



# Quarterly overview

	Q1	Q4	Q3	Q2	Q1
TSEK	2021	2020	2020	2020	2020
<b>Income statement</b>					
Net sales	233,519	188,742	192,755	177,958	211,961
EBITDA	106,631	60,820	88,375	73,952	98,285
EBITDA margin, %	45.7%	32.2%	45.8%	41.6%	46.4%
EBITA	94,996	47,581	76,899	63,259	88,218
EBITA margin, %	40.7%	25.2%	39.9%	35.5%	41.6%
Adjusted EBITA	94,996	59,784	76,899	63,259	88,218
Adjusted EBITA margin, %	40.7%	31.7%	39.9%	35.5%	41.6%
EBIT	57,062	12,377	40,377	27,029	51,261
EBIT, margin %	24.4%	6.6%	20.9%	15.2%	24.2%
Net financial items	-10,794	5,883	-6,287	5,650	-15,713
Net result	39,719	16,110	27,953	26,858	29,084
<b>Balance sheet</b>					
Non-current assets	3,365,706	2,951,649	3,059,839	3,071,186	3,192,975
Current assets	512,328	737,134	586,406	534,659	592,375
Cash and cash equivalents	360,797	552,921	420,946	443,183	493,933
Equity	1,637,652	1,550,840	1,584,940	1,541,508	1,618,794
Non-current liabilities	1,524,012	1,479,931	1,148,061	1,151,415	1,182,201
Current liabilities	716,370	658,012	913,244	912,922	984,355
Total assets	3,878,034	3,688,783	3,646,245	3,605,845	3,785,350
<b>Cash flow</b>					
Cash flow from operating activities	97,780	162,721	-570	47,354	166,281
Cash flow from Investing activities	-287,916	-23,056	-18,404	-39,902	-31,181
Cash flow from financing activities	-3,563	-3,324	-3,494	-56,182	304,577
Cash flow for the period	-193,699	136,341	-22,468	-48,730	439,677
<b>Key ratios</b>					
Net working capital	-204,042	79,122	-326,838	-378,263	-391,980
Return on capital, %	1.5%	0.3%	1.1%	0.7%	1.4%
Equity/asset ratio, %	42.2%	42.0%	43.5%	42.8%	42.8%
Cash conversion, %	97.8%	262.7%	-0.7%	66.2%	173.3%
Net debt	957,835	643,166	801,624	774,861	755,222
<b>Share data:</b>					
Weighted average number of ordinary shares	97,793,030	97,670,567	97,670,567	97,670,567	97,670,567
Earnings per share, basic, SEK	0.41	0.17	0.28	0.27	0.30
Earnings per share, after dilution, SEK	0.40	0.16	0.28	0.27	0.30

# Financial definitions and alternative performance measures

This interim report contains references to a number of performance measures. Some of these measures are defined in IFRS standards, while others are alternative measures, which are not reported in accordance with applicable financial reporting frameworks or other legislation. These measures are used by

Karnov to help both investors and management to analyse the Group's operations. The measures used in this interim report are described below, together with definitions and the reason for their use.

Key ratio	Definition	Reason for use
<b>Acquired growth</b>	Change in net sales during the current period attributable to acquired units, excluding currency effects, in relation to net sales for the corresponding period of the preceding year. Net sales of acquired units are defined as acquired growth during a period of 12 months commencing the respective acquisition date.	The measure is used as a complement to organic growth and provides an improved understanding for Karnov's growth.
<b>Adjusted EBITA</b>	EBITA adjusted for the impact of items affecting comparability.	The measure shows the profitability from the business, adjusted for the impact of items affecting comparability and amortisation of capital expenditures related to acquisitions.
<b>Adjusted EBITA margin</b>	Adjusted EBITA as a percentage of net sales.	The measure shows the underlying profitability generated from the current operations over time, adjusted for items affecting comparability.
<b>Adjusted EBITDA</b>	EBITDA excluding items affecting comparability.	The measure is used since it facilitates the understanding of the operating profit, excluding items affecting comparability, financing, depreciation and amortisation.
<b>Adjusted EBITDA margin</b>	Adjusted EBITDA as a percentage of net sales.	The measure shows operational profitability over time, excluding items affecting comparability, financing, depreciation and amortisation.
<b>Adjusted cash flow from operating activities</b>	Adjusted EBITDA plus changes in net working capital less capital expenditure related to new product development and enhancement of existing products and business systems.	The measure is used to calculate one component in the cash conversion.
<b>Average number of full-time employees (FTEs)</b>	Average number of full-time employees during the reporting period.	Non-financial key ratio.
<b>Cash conversion (%)</b>	Adjusted cash flow from operating activities as a percentage of Adjusted EBITDA.	The measure is used since it shows how efficiently adjusted cash flow from operating activities is translated into a concrete contribution to Karnov's financing.
<b>Earnings per share</b>	Earnings per share for the period in SEK attributable to the parent company's shareholders, in relation to weighted average number of outstanding shares before and after dilution.	IFRS key ratio.
<b>EBITA</b>	Earnings before financial items and taxes, excluding acquisition related purchase price allocation (PPA) amortisation.	The measure shows the profitability from the business, adjusted for acquisition related purchase price allocation (PPA) amortisation.
<b>EBITA margin</b>	EBITA as a percentage of net sales.	The measure shows the profitability over time for the underlying business (i.e., excluding PPA amortisation) in relation to net sales.
<b>EBITDA</b>	Earnings before depreciation and amortisation, financial items, and taxes.	The measure shows the operating profitability before depreciation and amortisation.

Key ratio	Definition	Reason for use
<b>EBITDA margin</b>	EBITDA as a percentage of net sales.	The measure shows operational profitability over time, regardless of financing, depreciation and amortisation.
<b>Equity/asset ratio (%)</b>	Equity divided by total assets.	The measure can be used to assess Karnov's financial stability.
<b>Items affecting comparability</b>	Items affecting comparability includes items of a significant character that distort comparisons over time.	The measure is used for understanding the financial performance over time.
<b>Leverage ratio (Net debt/adjusted EBITDA LTM)</b>	Net debt on the balance sheet date divided by adjusted EBITDA for the last twelve months (LTM).	Relevant to analyse to ensure that Karnov has an appropriate financing structure and is able to fulfil its financial obligations under its loan agreement.
<b>Net debt</b>	Total net borrowings including capitalised bank costs less cash and cash equivalents.	The measure is used since it allows for an assessment of whether Karnov has an appropriate financing structure and is able to fulfil its commitments under its financing agreements.
<b>Net sales (online)</b>	Net sales from online products.	The measure is used since it facilitates the understanding of total net sales and the breakdown of net sales.
<b>Net sales (offline)</b>	Net sales from printed products and training.	The measure is used since it facilitates the understanding of total net sales and the breakdown of net sales.
<b>Net working capital (NWC)</b>	Current assets less current liabilities.	The measure shows the tie-up of short-term capital in the operations and facilitates the understanding of changes in the cash flow from operating activities
<b>Operating profit (EBIT)</b>	Profit for the period before financial items and taxes.	The measure is used since it enables comparisons of the profitability regardless of the capital structure or tax situation.
<b>Organic growth</b>	Change in net sales during the current period, excluding acquisitions and currency effects, in relation to net sales for the corresponding period of the preceding year. Acquisitions are included in organic net sales after a period of 12 months.	The measure is used since it shows Karnov's ability to generate growth through increases of, among other things, volume and price in its existing business.
<b>PPA adjusted net profit</b>	Net profit adjusted for items affecting comparability and amortisations of acquired businesses.	The measure is used to show Karnov's financial performance without the influence of items affecting comparability and amortisations of acquired businesses.
<b>Return on capital</b>	Operating profit (EBIT) for the period divided by total assets.	The measure shows the operating return on capital that owners and lenders have invested.

## Currency rates

	Closing rate 31 Mar 2021	Average rate Jan-Mar 2021	Closing rate 31 Mar 2020	Average rate Jan-Mar 2020	Closing rate 31 Dec 2020	Average rate Jan-Dec 2020
1 DKK is equivalent to SEK	1.3765	1.3600	1.4840	1.4268	1.3492	1.4070

# Karnov Group today

80,000+

Users

1,500+

Specialists

280+

Employees

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**With offices** in Copenhagen, Stockholm, Oslo and Malmo, Karnov Group employs around 280 people.

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