

Half-year report

January – June 2021

Q2

Continued expansion

Financial highlights second quarter

- Net sales increased to SEK 201 m (178), organic growth was 7%.
- EBITA amounted to SEK 70 m (63) with EBITA margin of 35.0% (35.5%).
- Adjusted EBITA amounted to SEK 70 m (63) with adjusted EBITA margin of 35.0% (35.5%).
- Net result amounted to SEK 20 m (27).
- Earnings per share after dilution amounted to SEK 0.20 (0.27).
- Adjusted operating cash flow amounted to SEK 38 m (49).

Financial highlights first six months

- Net sales increased to SEK 435 m (390), organic growth was 6%.
- EBITA amounted to SEK 165 m (151) with EBITA margin of 38.1% (38.8%).
- Adjusted EBITA amounted to SEK 165 m (151) with adjusted EBITA margin of 38.1% (38.8%).
- Net result amounted to SEK 60 m (56).
- Earnings per share after dilution amounted to SEK 0.61 (0.57).
- Adjusted operating cash flow amounted to SEK 142 m (219).

Business highlights second quarter

- Pontus Bodelsson assumes his position as new President and CEO of Karnov Group.
- Karnov Group has delivered satisfying growth in the second quarter, in both segments. The growth is driven by a combination of an increase in demand for our new and existing offerings from both new and existing customers. We are satisfied to experience a significant increase in demand for our offerings from the public sector and in our EHS vertical.
- DIBkunnskap AS has performed well in the second quarter. The company has diluted the adjusted EBITA margin by approximately 1 pp on Group level, as earlier announced.

Key financial ratios for the Group*

| TSEK | Q2 | | | Jan-Jun | | | Jan-Dec |
|--|---------|---------|--------|---------|---------|--------|---------|
| | 2021 | 2020 | Δ% | 2021 | 2020 | Δ% | 2020 |
| Net sales | 201,121 | 177,958 | 13.0% | 434,641 | 389,919 | 11.5% | 771,416 |
| Organic growth, % | 6.6% | 2.1% | | 5.7% | 2.3% | | 2.1% |
| EBITA | 70,447 | 63,259 | 11.4% | 165,445 | 151,474 | 9.2% | 275,955 |
| EBITA margin, % | 35.0% | 35.5% | | 38.1% | 38.8% | | 35.8% |
| Adjusted EBITA | 70,447 | 63,259 | 11.4% | 165,445 | 151,474 | 9.2% | 288,158 |
| Adjusted EBITA margin, % | 35.0% | 35.5% | | 38.1% | 38.8% | | 37.4% |
| Net result | 19,985 | 26,858 | -25.6% | 59,705 | 55,941 | 6.7% | 100,004 |
| Adjusted cash flow from operating activities | 38,193 | 48,976 | -22.0% | 142,481 | 219,319 | -35.0% | 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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I am proud of the organic growth in the second quarter, which was close to 7 percent. Both Denmark and Sweden/Norway contributed positively to the growth. Following the first quarter, we can see a trend where we continue to grow strongly in the public sector, municipalities and our EHS vertical.

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Pontus Bodelsson
President and CEO

Having joined Karnov Group and assumed my position as President and CEO in May 2021, this is an excellent opportunity to share my early insights. I also want to thank all employees on a strong quarter, as Karnov Group has delivered growth and expanded the business.

Early insights as new President and CEO

Karnov Group plays an important part in a society based on justice and democracy. Our mission is crystal clear. With over 1,500 dedicated legal experts and authors, we provide highly important content and information used daily by judges, lawyers and tax professionals. That is something to be proud of, but also to be humble about. We must continue to strive to maintain and develop our high-quality content and we need to stay close and relevant to our customers and listen to their challenges of today and their possibilities of tomorrow.

Since my first day at Karnov Group, I have been gaining insights into the company from various sources, meeting customers, employees, authors, experts, shareholders and analysts. It is my belief that Karnov Group has a solid strategy, and our work is not about changing the strategy, it's about improving the execution. Along with all committed employees, I see promising potential to strengthening our offerings even more and to continue growing Karnov Group. One current example is our enhanced platform in Denmark. After a soft launch in February the platform is now the default solution for a majority of our customers. In Sweden we continue the dialogue with our customers understanding their needs and wishes, making updates to the JUNO platform.

Expanding the business and margin on a good level

Our organic growth in the second quarter was 6.6 percent, with both Denmark and Sweden/Norway contributing. Following the first quarter, we can see a trend where we continue to grow well in the public sector, municipalities and our EHS vertical. In Norway, our newly acquired business DIBkunnskap AS is progressing according to plan. Acquired growth from DIBkunnskap AS contributed with an additional 8.7 percent in the quarter.

Our non-subscription part of the offline business, mainly books, public trades and sales of legal training courses, has declined in line with the normal market trend, in the second quarter.

Our adjusted EBITA margin was 35.0 percent in the second quarter. The result was mainly due to higher net sales, better product mix and our initiatives for operational excellence. DIBkunnskap AS has diluted the adjusted EBITA margin on group level with approximately 1 percentage point as earlier announced.

Following the acquisition of DIBkunnskap AS and the pay-out of dividend, our leverage has increased to 3.0 times, but still within the range of our financial target.

Update on the Covid-19 pandemic

We are pleased to see that vaccinations against the Covid-19 virus are progressing in our markets. We continue to follow the regulations and recommendations from the authorities. At the moment, we are planning to be back in our premises in the autumn. I am very much looking forward to meeting all employees in real life, and also meet our authors, experts and customers.

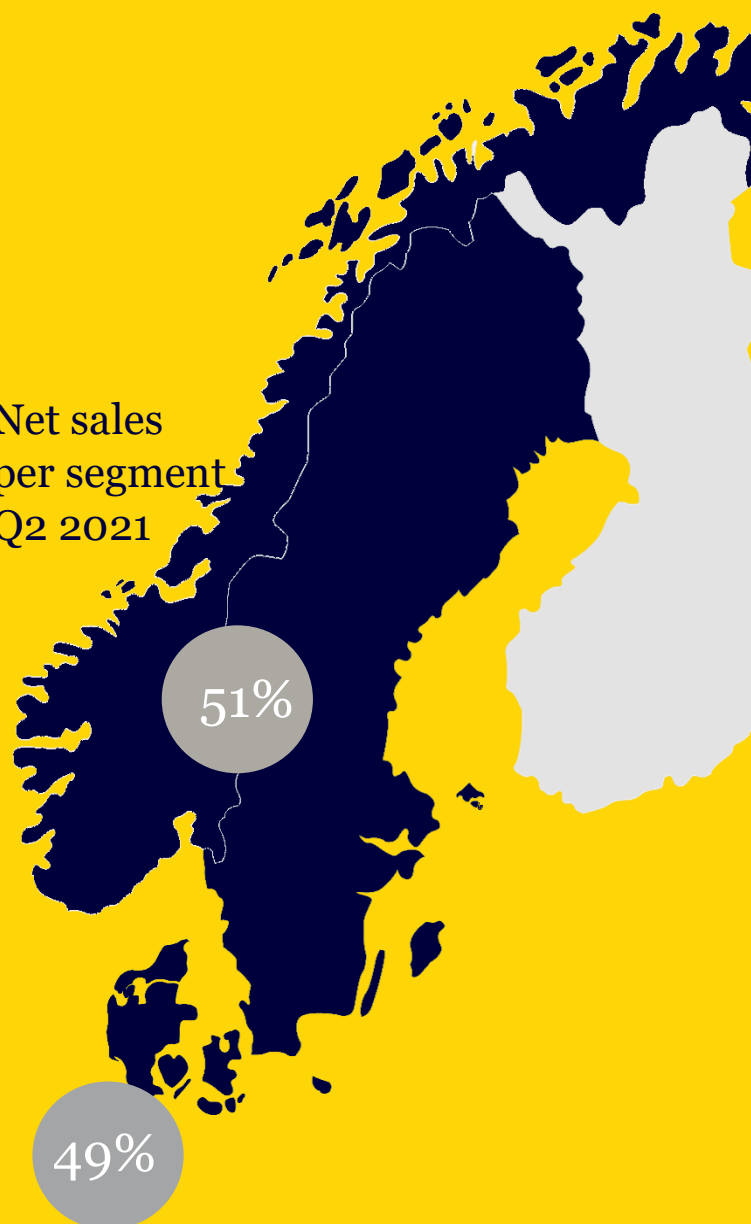
Karnov Group in brief

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
Q2 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

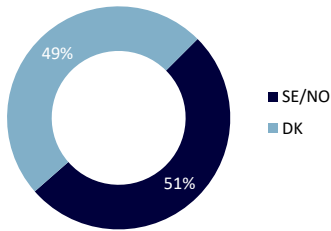
Ratio of Net debt to Adjusted EBITDA of no more than 3.0. This level may temporarily be exceeded, for example as a result of acquisitions.

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

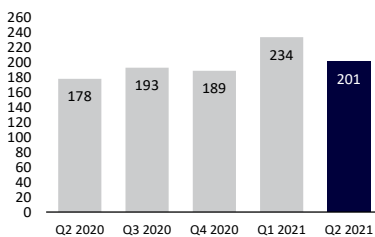
Net sales by country per second quarter,%



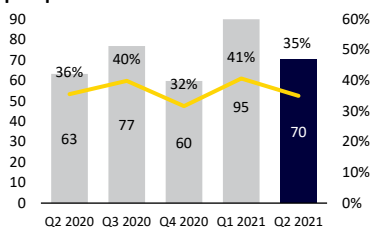
13%

Net sales growth Q2

Net sales per quarter, SEKm



Adjusted EBITA, SEKm and margin, % per quarter



Second quarter and six-month period

| TSEK | Q2 | | | Jan-Jun | | | Jan-Dec |
|--------------------------|---------|---------|-------|---------|---------|-------|---------|
| | 2021 | 2020 | Δ% | 2021 | 2020 | Δ% | 2020 |
| Net sales | 201,121 | 177,958 | 13.0% | 434,641 | 389,919 | 11.5% | 771,416 |
| Organic growth, % | 6.6% | 2.1% | | 5.7% | 2.3% | | 2.1% |
| EBITA | 70,447 | 63,259 | 11.4% | 165,445 | 151,474 | 9.2% | 275,955 |
| EBITA margin, % | 35.0% | 35.5% | | 38.1% | 38.8% | | 35.8% |
| Adjusted EBITA | 70,447 | 63,259 | 11.4% | 165,445 | 151,474 | 9.2% | 288,158 |
| Adjusted EBITA margin, % | 35.0% | 35.5% | | 38.1% | 38.8% | | 37.4% |

Net sales and growth

For the three-month period, April-June 2021, net sales increased by SEK 23 m to SEK 201 m (178). Acquired growth contributed with SEK 16 m. Organic growth on a constant currency basis was 6.6 percent, currency effects had a negative impact on net sales of -2.3 percent and acquired growth accounted for 8.7 percent. The driver for the growth was increased online sales, partly from expanding our market shares, especially in the public sector, municipalities and our EHS vertical and partly from upselling to existing customers. Both Denmark and Sweden/Norway contributed positively to the growth. Offline sales declined in line with the normal market trend.

For the first six months, the Group's net sales increased by 11.5 percent to SEK 435 m (390). Organic growth on a constant currency basis was 5.7 percent, currency effects had a negative impact on net sales of 2.5 percent and acquired growth accounts for 8.3 percent.

Operating income

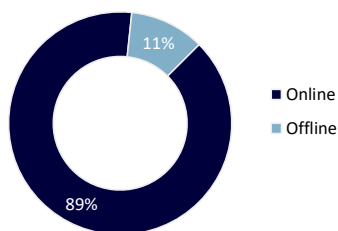
EBITA and adjusted EBITA for the quarter amounted to SEK 70 m (63) and EBITA margin as well as adjusted EBITA margin amounted to 35.0 percent (35.5). The acquisition of DIBkunnskap AS has diluted the adjusted EBITA margin on group level by approximately 1 percentage point. The margin was due to a combination of higher net sales, better product mix and efficiency gains in our strive for operational excellence.

Operating profit (EBIT) was SEK 29 m (27) for the quarter.

For the first six months, EBITA and adjusted EBITA amounted to SEK 165 m (151) and EBITA margin as well as adjusted EBITA margin amounted to 38.1 percent (38.8).

Operating profit (EBIT) was SEK 86 m (78) for the first six months.

Net sales split per second quarter, %



35%

Adjusted EBITA margin
Q2



46%

Cash conversion
Q2

Net financial items

Net financial items for the quarter amounted to SEK -8 m (6). Currency effect for the quarter was SEK -3 m (13), relating to long-term loans in DKK.

Net financial items for the first six months amounted to SEK -18 m (-10). Currency effect for the six-month period was SEK -9 m (2).

Profit before and after tax, Earnings per share

Profit before tax for the quarter decreased by SEK 12 m to SEK 21 m (33) mainly due to unrealized negative currency effect.

Profit after tax for the quarter decreased to SEK 20 m (27). Taxes amounted to SEK 1 m (6). Profit before tax for the six-month period was SEK 68 m (68).

Profit after tax for the six-month period was SEK 60 m (56).

Earnings per share after dilution was SEK 0.20 (0.27) for the quarter and SEK 0.61 (0.57) for the six-month period.

Cash flow and investments

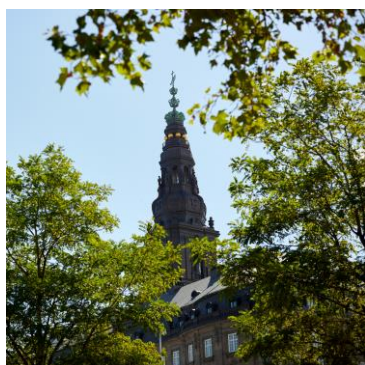
Cash flow from operating activities amounted to SEK 34 m (47). The decrease mainly reflects changes in timing of payments of liabilities.

Total investments for the quarter amounted to SEK -28 m (-40).

Total financing for the quarter amounted to SEK -103 m (-56) whereof SEK -98 m (-44) is related to the pay-out of dividend.

The cash flow generation was positive in the second quarter, despite a decrease of SEK 11 m to SEK 38 m (49) on adjusted cash flow from operating activities. The cash inflow from adjusted EBITDA has increased by SEK 9 m, however, mainly changes in timing of payment of other liabilities has reduced adjusted operating cash flow by SEK 11 m causing the cash conversion rate declining to 46.0 percent (66.2).

| Cash conversion TSEK | Q2 | | Jan-Jun | | Jan-Dec |
|--|--------------|--------------|--------------|---------------|---------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| Adjusted EBITDA | 82,964 | 73,952 | 189,599 | 172,235 | 333,634 |
| Adjusted cash flow from operating activities | 38,193 | 48,976 | 142,481 | 219,319 | 413,762 |
| Cash conversion, % | 46.0% | 66.2% | 75.1% | 127.3% | 124.0% |



3.0

Leverage

Financial position

Net debt was SEK 1,044 m (775) at the end of the period. The increase in net debt is mainly driven by payment for the acquisition of DIBkunnskap AS in the first quarter of 2021 and the pay-out of dividend to shareholders in line with the resolution at the AGM in May 2021.

The leverage at the end of the period was 3.0 (2.4) times and the equity ratio was 41.8 (42.8) percent with an equity of SEK 1,533 m (1,542).

| Net Debt TSEK | Q2 | | Jan-Dec |
|---------------------------|------------------|----------------|----------------|
| | 2021 | 2020 | 2020 |
| Total borrowings | 1,307,773 | 1,218,044 | 1,196,087 |
| Cash and cash equivalents | 263,617 | 443,183 | 552,921 |
| Net debt | 1,044,156 | 774,861 | 643,166 |
| Leverage ratio | 3.0 | 2.4 | 1.9 |
| Equity | 1,532,730 | 1,541,508 | 1,550,840 |
| Equity/asset ratio, % | 41.8% | 42.8% | 42.0% |

Cash and cash equivalents at the end of the period amounted to SEK 264 m (443) and the Group had unutilized credit lines of SEK 242 m (224).

Significant events

Second quarter

- › Pontus Bodelsson assumes his position as new President and CEO of Karnov Group.
- › Karnov Group holds its Annual General Meeting. The AGM resolved on appointing Loris Barisa as a new member of the Board of Directors and resolved on a dividend of 1 SEK per share. Minutes from the AGM can be downloaded from <https://www.karnovgroup.com/en/annual-general-meeting-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 | Q2 | | | Jan-Jun | | | Jan-Dec |
|--------------------------|--------|--------|-------|---------|---------|-------|---------|
| | 2021 | 2020 | Δ% | 2021 | 2020 | Δ% | 2020 |
| Net sales | 98,469 | 98,487 | 0.0% | 209,520 | 211,415 | -0.9% | 419,207 |
| Organic growth, % | 4.8% | -1.1% | | 3.9% | 0.3% | | 0.5% |
| EBITA | 39,514 | 39,782 | -0.7% | 86,808 | 87,792 | -1.1% | 165,782 |
| EBITA margin, % | 40.1% | 40.4% | | 41.4% | 41.5% | | 39.5% |
| Adjusted EBITA | 39,514 | 39,782 | -0.7% | 86,808 | 87,792 | -1.1% | 167,491 |
| Adjusted EBITA margin, % | 40.1% | 40.4% | | 41.4% | 41.5% | | 40.0% |

Net sales and growth

Organic growth for the quarter was 4.8 percent (-1.1). However, net sales for the quarter were flat at SEK 98 m (98) due to currency effects having a negative impact of -4.8 percent. The organic growth is mainly driven by online sales.

Our new products, such as the online library and the preparatory work tools, were launched in 2020 and in the beginning of 2021 and have been well received by our customers. We will continue to launch new features, tools and products on the Danish market also going forward. The updated platform launched in February is now our default solution for a majority of our customers. We intend to launch an offering for municipalities, similar to our offering in Sweden, in the second half of 2021.

For the first six months, net sales were close to flat at SEK 210 m (211). Organic growth was 3.9 percent (0.3) and currency effects had a negative impact of -4.8 percent.

Operating income

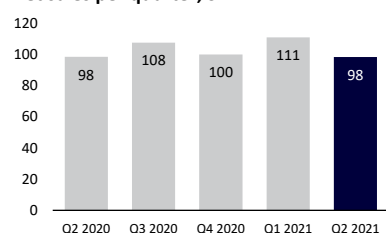
EBITA and adjusted EBITA amounted to SEK 40 m (40) and EBITA margin amounted to 40.1 percent (40.4).

Operating profit (EBIT) for the quarter decreased by SEK 1 m to SEK 24 m (25) compared to same period last year.

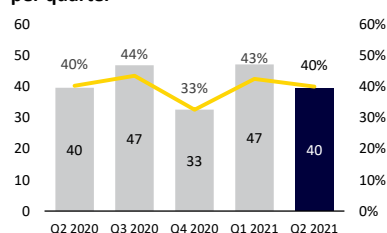
For the first six months, EBITA and adjusted EBITA decreased by SEK 1 m to SEK 87 m (88) and the EBITA and adjusted EBITA margin was 41.4 percent (41.5).

Operating profit (EBIT) for the first six months was flat at SEK 56 m (56).

Net sales per quarter, SEKm



Adjusted EBITA, SEKm and margin, % per quarter



Segment performance (cont.)

Sweden/Norway

The Sweden/Norway segment is specialised in online and offline legal solutions; the environmental, health and safety compliance; audit and accounting solutions; 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 | Q2 | | | Jan-Jun | | | Jan-Dec |
|--------------------------|---------|--------|-------|---------|---------|-------|---------|
| | 2021 | 2020 | Δ% | 2021 | 2020 | Δ% | 2020 |
| Net sales | 102,652 | 79,471 | 29.2% | 225,121 | 178,504 | 26.1% | 352,209 |
| Organic growth, % | 8.9% | 6.3% | | 7.9% | 4.6% | | 4.2% |
| EBITA | 30,933 | 23,478 | 31.8% | 78,636 | 63,682 | 23.5% | 110,173 |
| EBITA margin, % | 30.1% | 29.5% | | 34.9% | 35.7% | | 31.3% |
| Adjusted EBITA | 30,933 | 23,478 | 31.8% | 78,636 | 63,682 | 23.5% | 120,667 |
| Adjusted EBITA margin, % | 30.1% | 29.5% | | 34.9% | 35.7% | | 34.3% |

Net sales and growth

Net sales for the quarter increased by 29.2 percent to SEK 103 m (79) including SEK 16 m from acquired business. Organic growth was 8.9 percent (6.3), acquired growth was 19.5 (0.5) percent and currency effect was positive at 0.8 percent (0.0). The increase in net sales is driven by the businesses gaining market shares, especially in the public sector, municipalities and our EHS vertical and by upselling to existing customers. Our newly acquired business DIBkunnskap AS has performed according to plan.

For the first six months, net sales increased by SEK 46 m to SEK 225 m (179). Organic growth was 7.9 percent (4.6), acquired growth was 18.2 percent (0.2) and currency effect was 0.0 percent (0.0).

Operating income

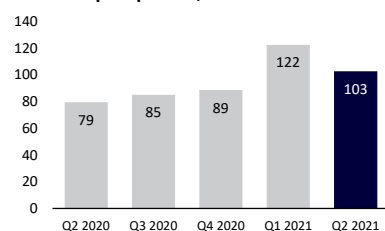
EBITA and adjusted EBITA was SEK 31 m (23) driven by the increase in net sales. Adjusted EBITA margin was 30.1 percent (29.5). DIBkunnskap AS has diluted the margin in the Sweden/Norway segment with approximately 2 percentage points.

Operating profit (EBIT) was SEK 5 m (2). Depreciations and amortisations increased by SEK 7 m compared to the corresponding quarter 2020.

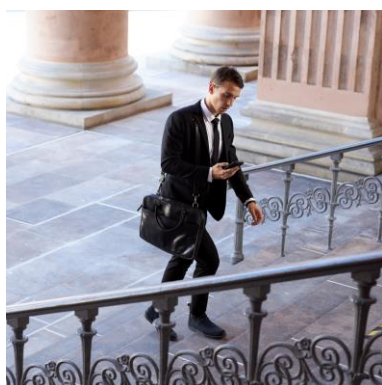
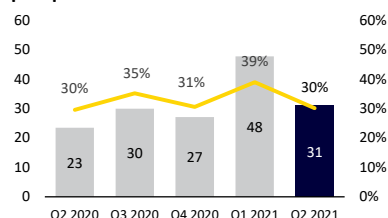
For the first six months, EBITA and adjusted EBITA increased by SEK 15 m to SEK 79 m (64) and the EBITA and adjusted EBITA margin was 34.9 percent (35.7).

Operating profit (EBIT) for the first six months amounted to SEK 30 m (22).

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 continuous 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 still assesses 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.

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 second quarter amounted to 279 (241). The increase is mainly due to the acquisition of DIBkunnskap AS. On average during the second quarter, 52% (50%) of the workforce were males and 48% (50%) 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 30 June 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/.

On 30 June 2021, the Company had 1,446 known shareholders. The five largest shareholders in Karnov Group AB (publ) were Kayne Anderson Rudnick, Invesco, Janus Henderson Investors, M&G Investment Management 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/

Related-party transactions

Karnov Group did not undertake any significant transactions with related parties in the second 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 -8 m (-7).

Outlook

Karnov Group does not provide financial forecasts.

Review

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

Disclosure

This half-year report contains inside information that Karnov Group AB (publ) is required to make public pursuant to the EU Market Abuse Regulation (MAR) and information that Karnov Group AB (publ) is required to make public pursuant to the Swedish Securities Market Act. The information was submitted for publication by the contact person below on 26 August 2021 at 8.00 am CEST.

Karnov Group AB (publ)

Stockholm, 26 August 2021

Pontus Bodelsson

President and CEO

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Q2 presentation webcast

Karnov Group will present the second quarter for analysts and investors via a webcast teleconference on 26 August at 10.00 am CEST.

To participate, use the following link:
<https://tv.streamfabriken.com/karnov-group-q2-2021>

or dial-in numbers:

SE: +46 8 505 583 65

DK: +45 7 815 0107

NO: +47 2 396 3688

UK: +44 333 300 92 63

US: +1 646 722 4956

The presentation will also be available on www.financialhearings.com

Financial calendar 2021

Interim report January-September 2021
4 November, 2021

Year-end report January-December 2021
23 February, 2022

Consolidated income statement of comprehensive income

| TSEK | Note | Q2 | | Jan-Jun | | Jan-Dec |
|--|------|----------------|----------------|----------------|----------------|----------------|
| | | 2021 | 2020 | 2021 | 2020 | 2020 |
| Net sales | 5 | 201,121 | 177,958 | 434,641 | 389,919 | 771,416 |
| Total revenue | | 201,121 | 177,958 | 434,641 | 389,919 | 771,416 |
| Goods for resale | | -29,039 | -29,450 | -67,190 | -66,798 | -131,754 |
| Employee benefit expenses | | -69,399 | -57,147 | -138,101 | -110,741 | -234,667 |
| Depreciations and amortisations | | -54,130 | -46,923 | -103,699 | -93,948 | -190,389 |
| Other operating expenses | | -19,719 | -17,409 | -39,751 | -40,145 | -83,564 |
| Operating profit | | 28,834 | 27,029 | 85,900 | 78,287 | 131,042 |
| Financial income | | 169 | 12,166 | 251 | 1,639 | 14,503 |
| Financial expenses | | -7,768 | -6,516 | -18,647 | -11,701 | -24,970 |
| Net financial items | | -7,599 | 5,650 | -18,396 | -10,062 | -10,467 |
| Profit before income tax | | 21,235 | 32,679 | 67,504 | 68,225 | 120,575 |
| Income tax expense | | -1,250 | -5,821 | -7,799 | -12,284 | -20,571 |
| Net result | | 19,985 | 26,858 | 59,705 | 55,941 | 100,004 |
| Other comprehensive income: | | | | | | |
| Items that may be reclassified to profit or loss: | | | | | | |
| Exchange differences on translation of foreign operations | | -24,267 | -61,195 | 8,075 | 480 | -43,354 |
| Total comprehensive income for the period | | -4,282 | -34,337 | 67,780 | 56,421 | 56,650 |
| Profit for the period is attributable to: | | | | | | |
| Owners of Karnov Group AB | | 20,081 | 26,779 | 59,836 | 55,911 | 99,903 |
| Non-controlling interests | | -96 | 79 | -131 | 30 | 101 |
| Net result | | 19,985 | 26,858 | 59,705 | 55,941 | 100,004 |
| Total comprehensive income for the period is attributable to: | | | | | | |
| Owners of Karnov Group AB | | -4,186 | -34,416 | 67,915 | 56,391 | 56,549 |
| Non-controlling interests | | -96 | 79 | -135 | 30 | 101 |
| Total comprehensive income | | -4,282 | -34,337 | 67,780 | 56,421 | 56,650 |
| Earnings per share, basic, SEK | 4 | 0.21 | 0.27 | 0.61 | 0.57 | 1.02 |
| Earnings per share, after dilution, SEK | 4 | 0.20 | 0.27 | 0.61 | 0.57 | 1.02 |

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

Consolidated balance sheet

| TSEK | Note | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
|---|------|------------------|------------------|------------------|
| ASSETS: | | | | |
| Goodwill | | 1,859,405 | 1,664,093 | 1,623,978 |
| Other intangible assets | | 1,247,515 | 1,225,313 | 1,149,935 |
| Right-of-use assets | | 100,749 | 103,796 | 95,545 |
| Property, plant and equipment (PPE) | | 6,617 | 4,654 | 6,280 |
| Investments in associated companies | | 70,498 | 67,524 | 70,347 |
| Loans to associated companies | | 17,872 | 3,058 | 3,036 |
| Deposits | | 2,603 | 2,748 | 2,528 |
| Total non-current assets | | 3,305,259 | 3,071,186 | 2,951,649 |
| Inventories | | 13,181 | 13,655 | 10,011 |
| Trade receivables | 3 | 53,443 | 50,511 | 148,214 |
| Prepaid expenses | | 9,250 | 12,799 | 7,556 |
| Other receivables | | 1,924 | 14,511 | 986 |
| Tax receivable | | 17,106 | - | 17,446 |
| Cash and cash equivalents | 3 | 263,617 | 443,183 | 552,921 |
| Total current assets | | 358,521 | 534,659 | 737,134 |
| TOTAL ASSETS | | 3,663,780 | 3,605,845 | 3,688,783 |
| EQUITY AND LIABILITIES: | | | | |
| Share capital | | 1,512 | 1,508 | 1,509 |
| Share premium | | 2,072,096 | 2,062,356 | 2,062,361 |
| Treasury shares | | -6 | - | -6 |
| Reserves | | -355,596 | -363,792 | -363,675 |
| Retained earnings including net profit for the year | | -192,377 | -158,869 | -156,585 |
| Total equity attributable to the parent company's shareholders | | 1,525,629 | 1,541,203 | 1,543,604 |
| Non-controlling interest | | 7,101 | 305 | 7,236 |
| Total equity | | 1,532,730 | 1,541,508 | 1,550,840 |
| Non-current liabilities | | | | |
| Borrowing from credit institutions | 3 | 1,202,598 | 842,625 | 1,196,087 |
| Lease liabilities | | 92,623 | 94,408 | 86,539 |
| Deferred tax liability | | 168,724 | 169,984 | 153,239 |
| Provisions | | 5,601 | 5,589 | 5,454 |
| Other non-current liabilities | | 38,416 | 38,809 | 38,612 |
| Total non-current liabilities | | 1,507,962 | 1,151,415 | 1,479,931 |
| Current liabilities | | | | |
| Borrowing from credit institutions | 3 | - | 375,419 | - |
| Trade payables | 3 | 17,116 | 13,288 | 12,395 |
| Current tax liabilities | | 10,093 | 17,476 | 10,595 |
| Accrued expenses | | 127,396 | 130,352 | 136,585 |
| Prepaid income | | 386,543 | 334,735 | 428,436 |
| Lease liabilities | | 12,552 | 12,543 | 12,842 |
| Other current liabilities | 3 | 69,388 | 29,109 | 57,159 |
| Total current liabilities | | 623,088 | 912,922 | 658,012 |
| TOTAL EQUITY AND LIABILITIES | | 3,663,780 | 3,605,845 | 3,688,783 |

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 | | | | |
| Balance at January 1, 2020 | 1,503 | 2,062,361 | - | -320,320 | -217,050 | 1,526,494 | 275 | 1,526,769 | |
| Net result | - | - | - | - | 55,911 | 55,911 | 30 | 55,941 | |
| Other comprehensive income for the period | - | - | - | 480 | - | 480 | - | 480 | |
| Total comprehensive income/loss | - | - | - | 480 | 55,911 | 56,391 | 30 | 56,421 | |
| Transaction with shareholders in their capacity as owners: | | | | | | | | | |
| Dividend paid | - | - | - | - | -43,952 | -43,952 | - | -43,952 | |
| Issue of C-shares | 5 | - | - | - | - | 5 | - | 5 | |
| Acquisition of treasury shares | - | -5 | - | - | - | -5 | - | -5 | |
| Sharebased payment | - | - | - | - | 2,270 | 2,270 | - | 2,270 | |
| Total transaction with shareholders | 5 | -5 | - | - | -41,682 | -41,682 | - | -41,682 | |
| Closing balance at June 30, 2020 | 1,508 | 2,062,356 | - | -319,840 | -202,821 | 1,541,203 | 305 | 1,541,508 | |

| 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 | | | | |
| Balance at January 1, 2021 | 1,509 | 2,062,361 | -6 | -363,675 | -156,585 | 1,543,604 | 7,236 | 1,550,840 | |
| Net result | - | - | - | - | 59,836 | 59,836 | -131 | 59,705 | |
| Other comprehensive income for the period | - | - | - | 8,079 | - | 8,079 | -4 | 8,075 | |
| Total comprehensive income/loss | - | - | - | 8,079 | 59,836 | 67,915 | -135 | 67,780 | |
| Transaction with shareholders in their capacity as owners: | | | | | | | | | |
| Issue of ordinary shares | 3 | 9,735 | - | - | - | 9,738 | - | 9,738 | |
| Sharebased payment | - | - | - | - | 2,221 | 2,221 | - | 2,221 | |
| Dividend paid | - | - | - | - | -97,849 | -97,849 | - | -97,849 | |
| Total transaction with shareholders | 3 | 9,735 | - | - | -95,628 | -85,890 | - | -85,890 | |
| Closing balance at June 30, 2021 | 1,512 | 2,072,096 | -6 | -355,596 | -192,377 | 1,525,629 | 7,101 | 1,532,730 | |

Consolidated statement of cash flows

| TSEK | Q2 | | Jan-Jun | | Jan-Dec |
|---|-----------------|----------------|-----------------|----------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Operating profit | 28,834 | 27,029 | 85,900 | 78,289 | 131,042 |
| Adjustments: | | | | | |
| Non-cash items | 55,190 | 58,996 | 105,917 | 95,460 | 199,968 |
| Effect of changes in working capital: | | | | | |
| Increase/decrease in inventories | -407 | 1,427 | -3,171 | -558 | 3,086 |
| Increase/decrease in receivables | 6,721 | 5,190 | 103,033 | 154,110 | 75,694 |
| Increase/decrease in trade payables and other payables | 15,868 | 31,588 | -48,952 | -15,631 | 19,217 |
| Increase/decrease in prepaid income | -59,312 | -60,264 | -79,849 | -64,851 | 28,850 |
| Interest paid | -4,076 | -5,201 | -7,576 | -10,109 | -19,156 |
| Income tax paid | -8,759 | -11,411 | -23,462 | -23,082 | -59,710 |
| Net effect of changes in working capital | -49,965 | -38,671 | -59,977 | 39,879 | 47,982 |
| Cash flow from operating activities | 34,059 | 47,354 | 131,840 | 213,628 | 378,992 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Acquisition of participations in associated companies | - | -18,703 | - | -22,446 | -25,466 |
| Acquisition of subsidiaries | -5,632 | -756 | -268,432 | -14,850 | -4,245 |
| Loan to associated companies | -6,819 | 114 | -14,736 | -121 | - |
| Increase/(decrease) in deposits and other assets | - | 209 | - | 209 | - |
| Acquisition of intangible assets | -14,413 | -20,766 | -31,612 | -33,875 | -79,690 |
| Acquisition of PPE | -742 | - | -742 | - | -2,947 |
| Cash flow from investing activities | -27,606 | -39,902 | -315,522 | -71,083 | -112,348 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Increase/decrease in borrowings | - | -8,311 | - | 300,419 | 294,297 |
| Increase/decrease in lease liabilities | -4,930 | -3,919 | -8,493 | -8,073 | -14,891 |
| Dividend paid | -97,849 | -43,952 | -97,849 | -43,952 | -43,952 |
| Cash flow from financing activities | -102,779 | -56,182 | -106,342 | 248,394 | 235,454 |
| Cash flow for the period | -96,327 | -48,730 | -290,024 | 390,939 | 502,098 |
| Cash and cash equivalents at the beginning of the period | 360,797 | 493,933 | 552,921 | 52,008 | 52,008 |
| Exchange-rate differences in cash and cash equivalents | -853 | -2,019 | 720 | 236 | -1,184 |
| Cash and cash equivalents at the end of the period | 263,617 | 443,183 | 263,617 | 443,183 | 552,922 |

Parent company income statement

| TSEK | Note | Q2 | | Jan-Jun | | Jan-Dec |
|-----------------------------------|------|---------------|---------------|----------------|----------------|----------------|
| | | 2021 | 2020 | 2021 | 2020 | 2020 |
| Employee benefit expenses | | -6,111 | -3,136 | -9,867 | -5,285 | -8,817 |
| Other operating expenses | | -2,225 | -3,639 | -4,213 | -8,049 | -20,810 |
| Operating profit | | -8,336 | -6,775 | -14,080 | -13,334 | -29,627 |
| Financial income | | 3,871 | 5,647 | 7,696 | 11,552 | 18,874 |
| Financial expenses | | -16 | -114 | -44 | -123 | -355 |
| Net financial items | | 3,855 | 5,533 | 7,652 | 11,429 | 18,519 |
| Profit before income tax | | -4,481 | -1,242 | -6,428 | -1,905 | -11,108 |
| Income tax expense | | - | - | - | - | - |
| Net result | | -4,481 | -1,242 | -6,428 | -1,905 | -11,108 |
| Total comprehensive income | | -4,481 | -1,242 | -6,428 | -1,905 | -11,108 |

Parent company balance sheet

| TSEK | Note | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
|---|------|------------------|------------------|------------------|
| ASSETS: | | | | |
| Investments in group enterprises | | 1,149,925 | 1,149,925 | 1,149,925 |
| Receivables from group enterprises | | 726,922 | 738,350 | 747,792 |
| Total non-current assets | | 1,876,847 | 1,888,275 | 1,897,718 |
| Receivables from group enterprises | | - | 250 | 206 |
| Other receivables | | 1,384 | 9,909 | 1,007 |
| Current tax receivable | | - | 48,289 | - |
| Cash and cash equivalents | | 8,928 | 6,261 | 41,033 |
| Total current assets | | 10,312 | 64,709 | 42,247 |
| TOTAL ASSETS | | 1,887,159 | 1,952,984 | 1,939,964 |
| TSEK | | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
| EQUITY AND LIABILITIES: | | | | |
| Restricted equity | | | | |
| Share capital | | 1,512 | 1,508 | 1,509 |
| Treasury shares | | -6 | - | -6 |
| Non-restricted equity | | | | |
| Share premium | | 2,072,096 | 2,062,356 | 2,062,363 |
| Retained earnings including net profit for the year | | -190,706 | -119,380 | -128,356 |
| Total equity | | 1,882,896 | 1,944,484 | 1,935,510 |
| Trade payables | | 418 | 771 | 407 |
| Trade payables from group companies | | - | 6,897 | - |
| Accrued expenses | | 3,438 | 808 | 3,989 |
| Other current liabilities | | 407 | 24 | 59 |
| Total current liabilities | | 4,263 | 8,500 | 4,454 |
| TOTAL EQUITY AND LIABILITIES | | 1,887,159 | 1,952,984 | 1,939,964 |

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 | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
| FINANCIAL ASSETS | | | | | | |
| Financial assets at amortised cost | | | | | | |
| Trade receivables | 53,443 | 50,511 | 148,214 | 53,443 | 50,511 | 148,214 |
| Cash and cash equivalents | 263,617 | 443,183 | 552,921 | 263,617 | 443,183 | 552,921 |
| Total financial assets | 317,060 | 493,694 | 701,135 | 317,060 | 493,694 | 701,135 |
| FINANCIAL LIABILITIES | | | | | | |
| Financial liabilities at fair value through profit or loss (FVPL) | | | | | | |
| Contingent considerations | 48,892 | 13,683 | 9,537 | 48,892 | 13,683 | 9,537 |
| Liabilities at amortised cost | | | | | | |
| Trade payables | 17,116 | 13,288 | 12,395 | 17,116 | 13,288 | 12,395 |
| Non-current borrowing from credit institutions | 1,202,598 | 842,625 | 1,196,087 | 1,202,598 | 842,625 | 1,196,087 |
| Current borrowings from credit institutions | - | 375,419 | - | - | 375,419 | - |
| Total financial liabilities | 1,268,606 | 1,245,014 | 1,218,019 | 1,268,606 | 1,245,014 | 1,218,019 |

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 | Q2 | | Jan-Jun | | Jan-Dec |
|--|------------|------------|------------|------------|------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| Earnings attributable to shareholders | 20,081 | 26,779 | 59,836 | 55,911 | 99,903 |
| Weighted average number of ordinary shares | 97,849,242 | 97,670,567 | 97,821,448 | 97,670,567 | 97,670,567 |
| Diluted | 98,274,589 | 97,997,733 | 98,246,795 | 84,761,261 | 98,095,914 |
| Earnings per share, basic, SEK | 0.21 | 0.27 | 0.61 | 0.57 | 1.02 |
| Earnings per share, after dilution, SEK | 0.20 | 0.27 | 0.61 | 0.57 | 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 | |
|------------------------|---------------|---------------|----------------|---------------|----------------|----------------|
| | Q2 | | Q2 | | Q2 | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Online | | | | | 179,331 | 154,520 |
| Offline | | | | | 21,790 | 23,438 |
| Total net sales | 98,469 | 98,487 | 102,652 | 79,471 | 201,121 | 177,958 |
| EBITDA | 41,628 | 41,736 | 41,335 | 32,216 | 82,964 | 73,952 |
| EBITA | 39,514 | 39,782 | 30,933 | 23,478 | 70,447 | 63,259 |
| EBIT | 24,252 | 24,591 | 4,580 | 2,438 | 28,834 | 27,029 |
| Net financial items | | | | | -7,599 | 5,650 |
| Profit before tax | | | | | 21,235 | 32,679 |
| Income tax expenses | | | | | -1,250 | -5,821 |
| Net result | | | | | 19,985 | 26,858 |

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 |
| Total purchase price | 338,610 |
| 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 |
| Total identified assets | 113,776 |
| Goodwill | 224,834 |
| Total | 338,610 |

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 | Q2 | | Jan-Jun | | Jan-Dec |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| Organic business | 189,721 | 177,082 | 412,296 | 386,734 | 773,317 |
| Acquired business | 15,511 | 400 | 32,443 | 400 | 1,531 |
| Currency | -4,111 | 476 | -10,098 | 2,785 | -3,432 |
| Total net sales | 201,121 | 177,958 | 434,641 | 389,919 | 771,416 |

| Total net sales split, % TSEK | Q2 | | Jan-Jun | | Jan-Dec |
|----------------------------------|--------------|-------------|--------------|-------------|-------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| Organic growth, % | 6.6% | 2.1% | 5.7% | 2.3% | 2.1% |
| Acquired growth, % | 8.7% | 0.2% | 8.3% | 0.1% | 0.2% |
| Currency effect, % | -2.3% | 0.3% | -2.5% | 0.7% | -0.5% |
| Total growth, % | 13.0% | 2.6% | 11.5% | 3.1% | 1.8% |

| Items affecting comparability TSEK | Q2 | | Jan-Dec |
|---------------------------------------|----------|----------|----------------|
| | 2021 | 2020 | 2020 |
| Acquisition costs | - | - | -4,165 |
| Restructuring costs | - | - | -8,038 |
| Total | - | - | -12,203 |

| Group | Q2 | | Jan-Jun | | Jan-Dec |
|---------------------------------|---------|---------|---------|---------|----------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| TSEK | | | | | |
| Net sales | 201,121 | 177,958 | 434,641 | 389,919 | 771,416 |
| EBITDA | 82,964 | 73,952 | 189,599 | 172,235 | 321,431 |
| EBITDA margin, % | 41.3% | 41.6% | 43.6% | 44.2% | 41.7% |
| Items affecting comparability | - | - | - | - | 12,203 |
| Adjusted EBITDA | 82,964 | 73,952 | 189,599 | 172,235 | 333,634 |
| Adjusted EBITDA margin, % | 41.3% | 41.6% | 43.6% | 44.2% | 43.2% |
| Depreciations and amortisations | -12,517 | -10,693 | -24,154 | -20,760 | -45,476 |
| EBITA | 70,447 | 63,259 | 165,445 | 151,474 | 275,955 |
| EBITA margin, % | 35.0% | 35.5% | 38.1% | 38.8% | 35.8% |
| Adjusted EBITA | 70,447 | 63,259 | 165,445 | 151,474 | 288,158 |
| Adjusted EBITA margin, % | 35.0% | 35.5% | 38.1% | 38.8% | 37.4% |
| Amortisation (acquisitions) | -41,613 | -36,230 | -79,545 | -73,187 | -144,913 |
| EBIT | 28,834 | 27,029 | 85,900 | 78,287 | 131,042 |
| Denmark | | | | | |
| TSEK | | | | | |
| Net sales | 98,469 | 98,487 | 209,520 | 211,415 | 419,207 |
| EBITDA | 41,628 | 41,736 | 91,057 | 91,652 | 176,029 |
| EBITDA margin, % | 42.3% | 42.4% | 43.5% | 43.4% | 42.0% |
| Items affecting comparability | - | - | - | - | 1,709 |
| Adjusted EBITDA | 41,628 | 41,736 | 91,057 | 91,652 | 177,738 |
| Adjusted EBITDA margin, % | 42.3% | 42.4% | 43.5% | 43.4% | 42.4% |
| Depreciations and amortisations | -2,114 | -1,955 | -4,249 | -3,860 | -10,247 |
| EBITA | 39,514 | 39,782 | 86,808 | 87,792 | 165,782 |
| EBITA margin, % | 40.1% | 40.5% | 41.4% | 41.5% | 39.5% |
| Adjusted EBITA | 39,514 | 39,782 | 86,808 | 87,792 | 167,491 |
| Adjusted EBITA margin, % | 40.1% | 40.4% | 41.4% | 41.5% | 40.0% |
| Amortisation (acquisitions) | -15,262 | -15,190 | -30,677 | -31,447 | -61,255 |
| EBIT | 24,252 | 24,591 | 56,131 | 56,345 | 104,527 |

| Sweden/Norway | Q2 | | Jan-Jun | | Jan-Dec |
|---------------------------------|---------|---------|---------|---------|---------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| TSEK | | | | | |
| Net sales | 102,652 | 79,471 | 225,121 | 178,504 | 352,209 |
| EBITDA | 41,335 | 32,216 | 98,544 | 80,582 | 145,401 |
| EBITDA margin, % | 40.3% | 40.5% | 43.8% | 45.1% | 41.3% |
| Items affecting comparability | - | - | - | - | 10,494 |
| Adjusted EBITDA | 41,336 | 32,216 | 98,543 | 80,582 | 155,895 |
| Adjusted EBITDA margin, % | 40.3% | 40.5% | 43.8% | 45.1% | 44.3% |
| Depreciations and amortisations | -10,403 | -8,738 | -19,907 | -16,900 | -35,228 |
| EBITA | 30,933 | 23,478 | 78,636 | 63,682 | 110,173 |
| EBITA margin, % | 30.1% | 29.5% | 34.9% | 35.7% | 31.3% |
| Adjusted EBITA | 30,933 | 23,478 | 78,636 | 63,682 | 120,667 |
| Adjusted EBITA margin, % | 30.1% | 29.5% | 34.9% | 36% | 34.3% |
| Amortisation (acquisitions) | -26,352 | -21,040 | -48,866 | -41,740 | -83,659 |
| EBIT | 4,580 | 2,438 | 29,770 | 21,942 | 26,515 |

Return on capital

| TSEK | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
|-----------------------------|-------------|-------------|-------------|
| EBIT | 85,900 | 78,287 | 131,042 |
| Total assets | 3,663,780 | 3,605,845 | 3,688,783 |
| Return on capital, % | 2.3% | 2.2% | 3.6% |

Net working capital

| TSEK | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
|----------------------------|-----------------|-----------------|---------------|
| Current assets | 358,521 | 534,659 | 737,134 |
| Current liabilities | 623,088 | 912,922 | 658,012 |
| Net working capital | -264,567 | -378,263 | 79,122 |

Cash conversion

| TSEK | Q2 | | Jan-Jun | | Jan-Dec |
|---|---------------|---------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| Adjusted EBITDA | 82,964 | 73,952 | 189,599 | 172,235 | 333,634 |
| Cash flow from operating activities | 34,059 | 47,354 | 131,840 | 213,628 | 378,992 |
| Interest paid | 4,076 | 5,201 | 7,576 | 10,109 | 19,156 |
| Income tax paid | 8,759 | 11,411 | 23,462 | 23,082 | 59,710 |
| Items affecting comparability | - | - | - | - | 12,203 |
| Capex related to new product development | -8,702 | -14,989 | -20,399 | -27,500 | -56,298 |
| Adjusted cash flow from operating activities | 38,192 | 48,976 | 142,480 | 219,319 | 413,762 |
| Cash conversion, % | 46.0% | 66.2% | 75.1% | 127.3% | 124.0% |

Net debt

| TSEK | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
|--|------------------|----------------|----------------|
| Non-current borrowing from credit institutions | 1,202,598 | 842,625 | 1,196,087 |
| Leasing liabilities, long term | 92,623 | 94,408 | 86,539 |
| Current borrowing from credit institutions | - | 375,419 | - |
| Leasing liabilities, short term | 12,552 | 12,543 | 12,842 |
| Cash and cash equivalents | 263,617 | 443,183 | 552,921 |
| Net debt | 1,044,157 | 774,861 | 643,166 |

Leverage ratio

| TSEK | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
|-----------------------|-------------|-------------|-------------|
| Adjusted EBITDA LTM | 350,993 | 327,080 | 333,634 |
| Net debt | 1,044,157 | 774,861 | 643,166 |
| Leverage ratio | 3.0 | 2.4 | 1.9 |

Quarterly overview

| | Q2 | Q1 | Q4 | Q3 | Q2 |
|--|------------|------------|------------|------------|------------|
| TSEK | 2021 | 2021 | 2020 | 2020 | 2020 |
| Income statement | | | | | |
| Net sales | 201,121 | 233,519 | 188,742 | 192,755 | 177,958 |
| EBITDA | 82,964 | 106,631 | 60,820 | 88,375 | 73,952 |
| EBITDA margin, % | 41.3% | 45.7% | 32.2% | 45.8% | 41.6% |
| EBITA | 70,447 | 94,996 | 47,581 | 76,899 | 63,259 |
| EBITA margin, % | 35.0% | 40.7% | 25.2% | 39.9% | 35.5% |
| Adjusted EBITA | 70,447 | 94,996 | 59,784 | 76,899 | 63,259 |
| Adjusted EBITA margin, % | 35.0% | 40.7% | 31.7% | 39.9% | 35.5% |
| EBIT | 28,834 | 57,062 | 12,377 | 40,377 | 27,029 |
| EBIT, margin % | 14.3% | 24.4% | 6.6% | 20.9% | 15.2% |
| Net financial items | -7,599 | -10,794 | 5,883 | -6,287 | 5,650 |
| Net result | 19,985 | 39,719 | 16,110 | 27,953 | 26,858 |
| Balance sheet | | | | | |
| Non-current assets | 3,305,259 | 3,365,706 | 2,951,649 | 3,059,839 | 3,071,186 |
| Current assets | 358,521 | 512,328 | 737,134 | 586,406 | 534,659 |
| Cash and cash equivalents | 263,617 | 360,797 | 552,921 | 420,946 | 443,183 |
| Equity | 1,532,730 | 1,637,652 | 1,550,840 | 1,584,940 | 1,541,508 |
| Non-current liabilities | 1,507,962 | 1,524,012 | 1,479,931 | 1,148,061 | 1,151,415 |
| Current liabilities | 623,088 | 716,370 | 658,012 | 913,244 | 912,922 |
| Total assets | 3,663,780 | 3,878,034 | 3,688,783 | 3,646,245 | 3,605,845 |
| Cash flow | | | | | |
| Cash flow from operating activities | 34,059 | 97,781 | 162,721 | -570 | 47,354 |
| Cash flow from Investing activities | -27,607 | -287,916 | -23,056 | -18,404 | -39,902 |
| Cash flow from financing activities | -102,779 | -3,563 | -3,324 | -3,494 | -56,182 |
| Cash flow for the period | -96,326 | -193,698 | 136,341 | -22,468 | -48,730 |
| Key ratios | | | | | |
| Net working capital | -264,567 | -204,042 | 79,122 | -326,838 | -378,263 |
| Return on capital, % | 0.8% | 1.5% | 0.3% | 1.1% | 0.7% |
| Equity/asset ratio, % | 41.8% | 42.2% | 42.0% | 43.5% | 42.8% |
| Cash conversion, % | 46.0% | 97.8% | 262.7% | -0.7% | 66.2% |
| Net debt | 1,044,156 | 957,835 | 643,166 | 801,624 | 774,861 |
| Share data: | | | | | |
| Weighted average number of ordinary shares | 97,849,242 | 97,793,030 | 97,670,567 | 97,670,567 | 97,670,567 |
| Earnings per share, basic, SEK | 0.21 | 0.41 | 0.17 | 0.28 | 0.27 |
| Earnings per share, after dilution, SEK | 0.20 | 0.40 | 0.16 | 0.28 | 0.27 |

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 |
|---|--|---|
| Acquired growth | 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. |
| Adjusted EBITA | 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. |
| Adjusted EBITA margin | 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. |
| Adjusted EBITDA | 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. |
| Adjusted EBITDA margin | Adjusted EBITDA as a percentage of net sales. | The measure shows operational profitability over time, excluding items affecting comparability, financing, depreciation and amortisation. |
| Adjusted cash flow from operating activities | 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. |
| Average number of full-time employees (FTEs) | Average number of full-time employees during the reporting period. | Non-financial key ratio. |
| Cash conversion (%) | 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. |
| Earnings per share | 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. |
| EBITA | 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. |
| EBITA margin | 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. |
| EBITDA | 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 |
|--|--|--|
| EBITDA margin | EBITDA as a percentage of net sales. | The measure shows operational profitability over time, regardless of financing, depreciation and amortisation. |
| Equity/asset ratio (%) | Equity divided by total assets. | The measure can be used to assess Karnov's financial stability. |
| Items affecting comparability | 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. |
| Leverage ratio (Net debt/adjusted EBITDA LTM) | 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. |
| Net debt | 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. |
| Net sales (online) | Net sales from online products. | The measure is used since it facilitates the understanding of total net sales and the breakdown of net sales. |
| Net sales (offline) | 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. |
| Net working capital (NWC) | 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 |
| Operating profit (EBIT) | 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. |
| Organic growth | 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. |
| PPA adjusted net profit | 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. |
| Return on capital | 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 30 Jun 2021 | Average rate Jan-Jun 2021 | Closing rate 30 Jun 2020 | Average rate Jan-Jun 2020 | Closing rate 31 Dec 2020 | Average rate Jan-Dec 2020 |
|----------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|
| 1 DKK is equivalent to SEK | 1.3616 | 1.3617 | 1.4063 | 1.4278 | 1.3492 | 1.4070 |

Karnov Group today

80,000+

Users

1,500+

Specialists

280+

Employees

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Our mission is to be an indispensable partner for all legal, tax and accounting professionals and enable our 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.

Our solutions are largely digital, and we offer subscription-based online solutions for law firms, tax and accounting firms, corporates and the public sector including courts, universities, public authorities and municipalities. Karnov also publishes and sells books and journals and hosts legal training courses.

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

The Karnov share is listed on Nasdaq Stockholm, Mid Cap segment, under the ticker "KAR".



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