

Interim report

January – September 2021

Q3

Another growth quarter

Financial highlights third quarter

- Net sales increased by 15% to SEK 222 m (193), organic growth was 8%.
- EBITA amounted to SEK 80 m (77) with EBITA margin of 36.1% (39.9%).
- Adjusted EBITA amounted to SEK 88 m (77) with EBITA margin of 39.5% (39.9%).
- Net result amounted to SEK 23 m (28).
- Earnings per share after dilution amounted to SEK 0.24 (0.28).
- Adjusted operating cash flow amounted to SEK -4 m (-1).

Financial highlights first nine months

- Net sales increased by 13% to SEK 657 m (583), organic growth was 7%.
- EBITA amounted to SEK 246 m (228) with EBITA margin of 37.4% (39.2%).
- Adjusted EBITA amounted to SEK 253 m (228) with EBITA margin of 38.6% (39.2%).
- Net result amounted to SEK 83 m (84).
- Earnings per share after dilution amounted to SEK 0.85 (0.85).
- Adjusted operating cash flow amounted to SEK 138 m (219).

Business highlights third quarter

- Karnov Group signed an agreement to acquire 100% of the shares in the EHS software provider Echoline SAS based in France, and thereby enters the French and Benelux market.
- Karnov Group launched a legal information solution for municipalities in Denmark.
- Karnov Group published the industry report Future Lawyer Survey 2021 which is focusing on legal tech and mental health within the legal field.
- Karnov Group appointed Jonas Olin as new CFO. Jonas Olin will assume the position on 1 March 2022.

Key financial ratios for the Group*

TSEK	Q3			Jan-Sep			Jan-Dec
	2021	2020	Δ%	2021	2020	Δ%	2020
Net sales	222,325	192,755	15.3%	656,966	582,674	12.8%	771,416
Organic growth, %	8.0%	3.0%		6.5%	2.5%		2.1%
EBITA	80,315	76,899	4.4%	245,765	228,375	7.6%	275,955
EBITA margin, %	36.1%	39.9%		37.4%	39.2%		35.8%
Adjusted EBITA	87,815	76,899	14.2%	253,265	228,375	10.9%	288,158
Adjusted EBITA margin, %	39.5%	39.9%		38.6%	39.2%		37.4%
Net result	23,490	27,953	-16.0%	83,196	83,894	-0.8%	100,004
Adjusted cash flow from operating activities	-4,301	-580	-641.5%	138,183	218,737	-36.8%	413,762

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

Comments by the CEO

”

Our net sales growth of 15 percent came from acquired growth and strong organic growth in both Denmark and Sweden/Norway. There have also been a catch-up from the impact of the Covid-19 pandemic the previous year.

”



Pontus Bodelsson
President and CEO

We deliver strong results in the third quarter, both on top-line and margins, and at the same time we have succeeded in further acquisitions in line with our strategy to expand our business. With the acquisition of Echoline in France we have taken the next step on our journey of strengthening our capabilities in the EHS compliance market on an international scale, whilst the acquisition of Ante provides possibilities to strengthen the core customer value through AI based search technology.

Strong performance in both Denmark and Sweden/Norway

Our net sales growth of 15 percent came from acquired growth and strong organic growth in both Denmark and Sweden/Norway. There have also been a catch-up from the impact of the Covid-19 pandemic the previous year.

Our non-subscription part of the offline business, mainly books, public trades and sales of legal training courses, has performed well during the quarter, and the results are above the normal market trend, as the Covid-19 pandemic had a significant impact on the comparing quarter.

Our adjusted EBITA margin was at a satisfactory level at 39.5 percent in the third quarter and at the same time we uphold a leverage below our financial target at 2.9 by end of the quarter.

Execution of growth strategy

The market for Environmental, Health and Safety (EHS) solutions is growing. This is due to increasing regulatory demands and need for compliance tools. With the acquisition of Echoline, we execute on our strategy of expanding internationally on the growing market for compliance solutions within EHS. Echoline targets ISO certified companies in the French speaking areas of Europe and currently represents large and mid-size corporations in France and the Benelux. The platform is cloud-based, and the business model is based mainly on subscription. With this acquisition, we both strengthen our capabilities in the EHS field, while also prove our capabilities of making acquisitions on the European market.

In Sweden, we continue to grow well in the public sector, municipalities and our EHS vertical. The functionalities in our broad municipality solution are valued by our users driving our growth in the public sector. Further, we see a trend where we are upselling to existing customers where our services are used also by our non-core users.

In Denmark, we also see the municipality market as a good opportunity for us to use our focused solutions to provide more value to existing and new customers in the public sector. We have recently launched our legal information solution in Denmark for caseworkers in municipalities; Karnov Kommune.

In Norway, DIBkunnskap AS is progressing according to plan and is intended to launch in Sweden before the end of the year.

Better decisions, faster

In the quarter I have continued to meet customers, and I am confident that our strong result in the period is the outcome of our customers providing the opportunity to deliver better decisions faster. I want to thank all customers, experts, authors and business partners for their great performance in the third quarter.

Karnov Group's 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

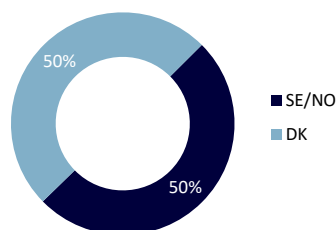
Ratio of Net debt to Adjusted EBITDA of no more than 3.0. This level may temporarily be exceeded, for example as a result of acquisitions.

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

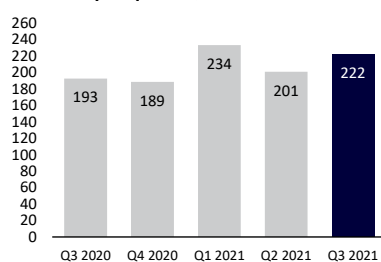
Net sales by country per third quarter,%



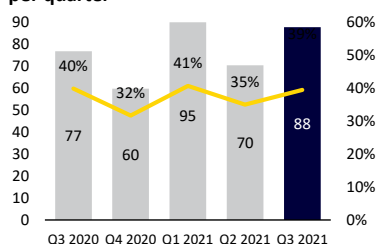
15%

Net sales growth Q3

Net sales per quarter, SEKm



Adjusted EBITA, SEKm and margin, % per quarter



Third quarter and nine-month period

TSEK	Q3			Jan-Sep			Jan-Dec
	2021	2020	Δ%	2021	2020	Δ%	2020
Net sales	222,325	192,755	15.3%	656,966	582,674	12.8%	771,416
Organic growth, %	8.0%	3.0%		6.5%	2.5%		2.1%
EBITA	80,315	76,899	4.4%	245,765	228,375	7.6%	275,955
EBITA margin, %	36.1%	39.9%		37.4%	39.2%		35.8%
Adjusted EBITA	87,815	76,899	14.2%	253,265	228,375	10.9%	288,158
Adjusted EBITA margin, %	39.5%	39.9%		38.6%	39.2%		37.4%

Net sales and growth

For the three-month period, July-September 2021, net sales increased by SEK 29 m to SEK 222 m (193). Acquired growth contributed with SEK 16 m. Organic growth on a constant currency basis was 8.0 percent, currency effects had a negative impact on net sales of -0.7 percent and acquired growth accounted for 8.0 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 were above the normal market trend, where Covid-19 pandemic had a negative impact last year.

For the first nine months, the Group's net sales increased by 12.8 percent to SEK 657 m (583). Organic growth on a constant currency basis was 6.5 percent, currency effects had a negative impact on net sales of -2.0 percent and acquired growth accounts for 8.3 percent.

Operating income

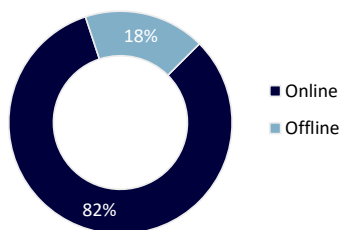
EBITA for the quarter amounted to SEK 80 m (77) and EBITA margin amounted to 36.1 percent (39.9). Adjusted EBITA amounted to SEK 88 m (77) and adjusted EBITA margin was 39.5 percent (39.9). The items affecting comparability of SEK 7.5 million is in line with the strategy towards expanding the business via M&A activities. 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 40 m (40) for the quarter.

For the first nine months, EBITA amounted to SEK 246 m (228) and EBITA margin amounted to 37.4 percent (39.2). Adjusted EBITA was SEK 253 m (228) and adjusted EBITA margin amounted to 38.6 percent (39.2).

Operating profit (EBIT) was SEK 126 m (119) for the first nine months.

Net sales split per third quarter, %



40%

Adjusted EBITA margin
Q3



48%

Cash conversion
YTD

Net financial items

Net financial items for the quarter amounted to SEK -9 m (-6). Currency effect for the quarter was SEK -4 m (0), relating to long-term loans in DKK.

Net financial items for the first nine months amounted to SEK -27 m (-16). Currency effect for the nine-month period was SEK -13 m (0).

Profit before and after tax, Earnings per share

Profit before tax for the quarter decreased by SEK 3 m to SEK 31 m (34) mainly driven by costs for items affecting comparability.

Profit after tax for the quarter was SEK 23 m (28). Taxes amounted to SEK -8 m (-6).

Profit before tax for the nine-month period was SEK 99 m (102).

Profit after tax for the nine-month period was SEK 83 m (84).

Earnings per share after dilution was SEK 0.24 (0.28) for the quarter and SEK 0.85 (0.85) for the nine-month period.

Cash flow and investments

Cash flow from operating activities amounted to SEK -3 m (-1). The decrease mainly reflects changes in timing of payments of liabilities off-set by a cash inflow from refund of preliminary tax payments.

Total investments for the quarter amounted to SEK -11 m (-18).

Total financing for the quarter amounted to SEK -5 m (-3).

The cash flow generation was negative in the third quarter mainly due to timing of payment of other liabilities causing the cash conversion rate decreasing to -4.3 percent (-0.7).

The cash conversion rate for the nine-month period was 47.7 percent (83.9).

Cash conversion TSEK	Q3		Jan-Sep		Jan-Dec
	2021	2020	2021	2020	2020
Adjusted EBITDA	100,184	88,375	289,786	260,611	333,634
Adjusted cash flow from operating activities	-4,301	-580	138,183	218,737	413,762
Cash conversion, %	-4.3%	-0.7%	47.7%	83.9%	124.0%



2.9

Leverage

Financial position

Net debt was SEK 1,061 m (906) at the end of the period. Total net debt calculation is updated to total borrowings including capitalised bank costs less cash and cash equivalents. Comparable numbers for previous periods are adjusted accordingly. The change in calculation is to align with covenant calculation on the Group's loan facility.

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 2.9 (2.7) times and the equity ratio was 43.2 (43.5) percent with an equity of SEK 1,569m (1,585).

TSEK	Q3		Jan-Dec
	2021	2020	2020
Total borrowings	1,307,481	1,327,203	1,295,469
Cash and cash equivalents	246,815	420,946	552,921
Net debt	1,060,666	906,256	742,548
Leverage ratio	2.9	2.7	2.2
Equity	1,568,807	1,584,940	1,550,840
Equity/asset ratio, %	43.2%	43.5%	42.0%

Cash and cash equivalents at the end of the period amounted to SEK 247 m (421) and the Group had unutilised credit lines of SEK 238 m (220).

Significant events

Third quarter

- › Karnov Group signed an agreement to acquire 100% of the shares in the French company Echoline SAS, and thereby enters the French and Benelux market. Echoline is a leading compliance software provider within the area of Environment, Health and Safety (EHS), with a unique focus on regulatory monitoring.
- › Karnov Group launched a legal information solution for municipalities in Denmark.
- › Karnov Group published the industry report Future Lawyer Survey 2021 which is focusing on legal tech and mental health within the legal field.
- › Karnov Group appointed Jonas Olin as new CFO. The decision follows Dora Brink Clausen's desire to resign from her position as the current CFO of the company. Jonas Olin will assume the position on 1 March 2022.

Events after the end of the period

- › Karnov Group assumes ownership of Echoline SAS on 1 October 2021. The company's financials will be fully consolidated in the Group financials from 1 October 2021.
- › Karnov Group acquires additional 26% of the shares in Ante ApS and now holds a majority stake of 51% of the shares. The company's financials will be fully consolidated in the Group financials from 1 October 2021.

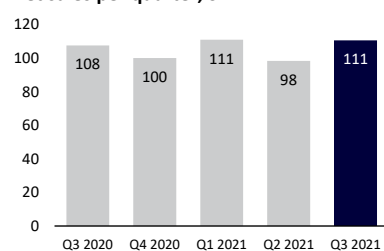
Segment performance

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.

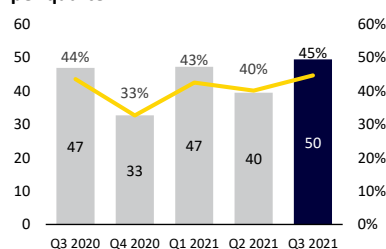
Denmark

TSEK	Q3			Jan-Sep			Jan-Dec
	2021	2020	Δ%	2021	2020	Δ%	2020
Net sales	110,756	107,689	2.8%	320,276	319,103	0.4%	419,207
Organic growth, %	4.4%	0.5%		4.1%	0.4%		0.5%
EBITA	49,508	46,981	5.4%	136,320	134,773	1.1%	165,782
EBITA margin, %	44.7%	43.6%		42.6%	42.2%		39.5%
Adjusted EBITA	49,508	46,981	5.4%	136,320	134,773	1.1%	167,491
Adjusted EBITA margin, %	44.7%	43.6%		42.6%	42.2%		40.0%

Net sales per quarter, SEKm



Adjusted EBITA, SEKm and margin, % per quarter



Net sales and growth

Net sales for the quarter increased to SEK 111 m (108). The organic growth for the quarter was 4.4 percent (0.5). Currency effects had a negative impact of -1.6 percent. The organic growth is mainly driven by online sales.

In the third quarter, we launched our online legal research solution for municipalities; Karnov Kommune. Further, we also introduced a new whistleblower tool called Karnov Whistleblower. We will continue to launch new features, tools and products on the Danish market also going forward. The updated platform is appreciated among our customers.

For the first nine months, net sales increased to SEK 320 m (319). Organic growth was 4.1 percent (0.4) and currency effects had a negative impact of -3.7 percent.

Operating income

In the third quarter, EBITA and adjusted EBITA amounted to SEK 50 m (47) and EBITA margin amounted to 44.7 percent (43.6).

Operating profit (EBIT) for the quarter increased by SEK 3 m to SEK 34 m (31) compared to same period last year.

For the first nine months, EBITA and adjusted EBITA increased by SEK 1 m to SEK 136 m (135) and the EBITA and adjusted EBITA margin was 42.6 percent (42.2).

Operating profit (EBIT) for the first nine months increased to SEK 90 m (88).



Segment performance (cont.)

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.

Sweden/Norway

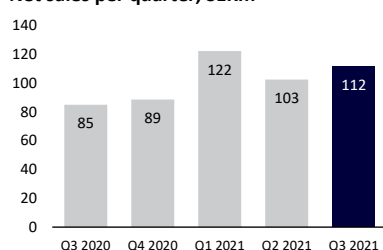
TSEK	Q3			Jan-Sep			Jan-Dec
	2021	2020	Δ%	2021	2020	Δ%	2020
Net sales	111,569	85,067	31.2%	336,690	263,571	27.7%	352,209
Organic growth, %	12.5%	6.4%		9.4%	5.1%		4.2%
EBITA	30,804	29,919	3.0%	109,440	93,602	16.9%	110,173
EBITA margin, %	27.6%	35.2%		32.5%	35.5%		31.3%
Adjusted EBITA	38,304	29,919	28.0%	116,940	93,602	24.9%	120,667
Adjusted EBITA margin, %	34.3%	35.2%		34.7%	35.5%		34.3%

Net sales and growth

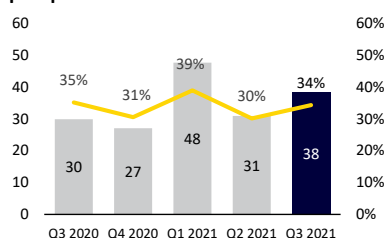
Net sales for the quarter increased by 31.2 percent to SEK 112 m (85) including SEK 16 m from acquired business. Organic growth was 12.5 percent (6.4), acquired growth was 18.4 (0.7) percent and currency effect was positive at 0.3 percent (0.0). The increase in net sales is driven by the businesses gaining market shares, especially in the public sector, municipalities and our EHS vertical and by upselling to existing customers. The functionalities in our EHS offerings and broad municipality solution are valued by our users driving our growth in the two markets. Acquired business DIBkunnskap AS has performed according to plan.

For the first nine months, net sales increased by SEK 73 m to SEK 337 m (264). Organic growth was 9.4 percent (5.1), acquired growth was 18.2 percent (0.4) and currency effect was 0.1 percent (0.0).

Net sales per quarter, SEKm



Adjusted EBITA, SEKm and margin, % per quarter



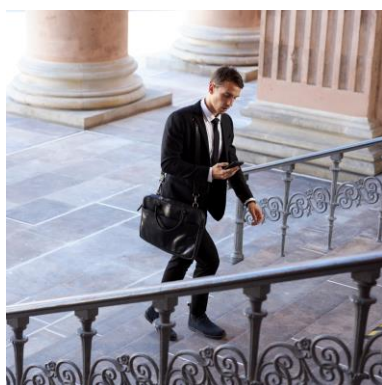
Operating income

In the third quarter, EBITA was SEK 31 m (30) and EBITA margin was 27.6 (35.2). Adjusted EBITA amounted to SEK 38 m (30) and adjusted EBITA margin was 34.3 percent (35.2) driven by the increase in net sales. DIBkunnskap AS has diluted the margin in the Sweden/Norway segment with approximately 2 percentage points.

Operating profit (EBIT) in the third quarter was SEK 6 m (9).

For the first nine months, EBITA increased by SEK 15 m to SEK 109 m (94) and the EBITA margin was 32.5 percent (35.5). Adjusted EBITA amounted to SEK 117 m (94) and adjusted EBITA margin was 34.7 percent (35.5).

Operating profit (EBIT) for the first nine months amounted to SEK 36 m (31).



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 third quarter amounted to 276 (250). The increase is mainly due to the acquisition of DIBkunnskap AS. On average during the third quarter, 52% (49%) of the workforce were males and 48% (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 30 September 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 September 2021, the Company had 1,432 known shareholders. The five largest shareholders in Karnov Group AB (publ) were Swedbank Robur, Invesco, Kayne Anderson Rudnick, Janus Henderson Investors and M&G Investments.

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 third 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 (-6).

Outlook

Karnov Group does not provide financial forecasts.

Review

This interim report has been subject to a review by the Company's auditors. Please see report on page 11.

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 4 November 2021 at 8.00 am CET.

Karnov Group AB (publ)

Stockholm, 4 November 2021

Pontus Bodelsson
President and CEO

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Q3 presentation webcast

Karnov Group will present the third quarter for analysts and investors via a webcast teleconference on 4 November at 10.00 am CET. To participate, use the following link:
<https://tv.streamfabriken.com/karnov-group-q3-2021>
or dial-in numbers:
SE: +46 8 505 583 51
DK: +45 7 872 3252
NO: +47 2 350 0236
UK: +44 333 300 92 63
US: +1 646 722 4902
The presentation will also be available on www.financialhearings.com

Financial calendar 2022

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

Interim report January-March 2022 and Annual General Meeting in Stockholm
10 May, 2022

Half-year report January-June 2022
18 August, 2022

Interim report January-September 2022
9 November, 2022

Review Report

(Translation from Swedish original. In case of discrepancies, the Swedish version shall prevail.)

Karnov Group AB (publ) corp. identity no. 559016-9016

Auditor's review report for interim financial information in summary (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.

Introduction

We have reviewed the condensed interim financial information (interim report) of Karnov Group AB (publ) as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion expressed based on a review does not have the same level of certainty as a review based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 4 November 2021

PricewaterhouseCoopers AB

Aleksander Lyckow

Authorised Public Accountant

Consolidated income statement of comprehensive income

TSEK	Note	Q3		Jan-Sep		Jan-Dec
		2021	2020	2021	2020	2020
Net sales	5	222 325	192 755	656 966	582 674	771 416
Total revenue		222 325	192 755	656 966	582 674	771 416
Goods for resale		-33 786	-32 972	-100 976	-99 770	-131 754
Employee benefit expenses		-68 035	-57 685	-206 133	-168 427	-234 667
Depreciations and amortisations		-52 476	-47 998	-156 175	-141 946	-190 389
Other operating expenses		-27 820	-13 723	-67 571	-53 866	-83 564
Operating profit		40 208	40 377	126 111	118 665	131 042
Financial income		134	41	382	171	14 503
Financial expenses		-9 182	-6 328	-27 829	-16 521	-24 970
Net financial items		-9 048	-6 287	-27 447	-16 350	-10 467
Profit before income tax		31 160	34 090	98 664	102 315	120 575
Income tax expense		-7 670	-6 137	-15 468	-18 421	-20 571
Net result		23 490	27 953	83 196	83 894	100 004
Other comprehensive income:						
Items that may be reclassified to profit or loss:						
Exchange differences on translation of foreign operations		13 443	7 665	21 518	8 145	-43 354
Total comprehensive income for the period		36 933	35 618	104 714	92 039	56 650
Profit for the period is attributable to:						
Owners of Karnov Group AB		23 594	27 828	83 431	83 739	99 903
Non-controlling interests		-104	125	-235	155	101
Net result		23 490	27 953	83 196	83 894	100 004
Total comprehensive income for the period is attributable to:						
Owners of Karnov Group AB		36 992	35 493	104 907	91 884	56 549
Non-controlling interests		-59	125	-193	155	101
Total comprehensive income		36 933	35 618	104 714	92 039	56 650
Earnings per share, basic, SEK	4	0,24	0,28	0,85	0,86	1,02
Earnings per share, after dilution, SEK	4	0,24	0,28	0,85	0,85	1,02

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

Consolidated balance sheet

TSEK	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS:				
Goodwill		1,867,116	1,678,377	1,623,978
Other intangible assets		1,218,804	1,202,836	1,149,935
Right-of-use assets		96,749	100,931	95,545
Property, plant and equipment (PPE)		4,654	4,226	6,280
Investments in associated companies		70,621	67,614	70,347
Loans to associated companies		18,125	3,132	3,036
Deposits		2,623	2,723	2,528
Total non-current assets		3,278,692	3,059,839	2,951,649
Inventories		13,423	11,293	10,011
Trade receivables	3	59,346	58,813	148,214
Prepaid expenses		11,215	12,976	7,556
Other receivables		1,165	16,420	986
Tax receivable		18,791	65,958	17,446
Cash and cash equivalents	3	246,815	420,946	552,921
Total current assets		350,755	586,406	737,134
TOTAL ASSETS		3,629,447	3,646,245	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		-342,199	-312,175	-363,675
Retained earnings including net profit for the year		-169,639	-173,845	-156,585
Total equity attributable to the parent company's shareholders		1,561,764	1,577,844	1,543,604
Non-controlling interest		7,043	7,096	7,236
Total equity		1,568,807	1,584,940	1,550,840
Non-current liabilities				
Borrowing from credit institutions	3	1,207,492	846,156	1,196,087
Lease liabilities		87,306	91,780	86,539
Deferred tax liability		161,701	165,719	153,239
Provisions		5,691	5,674	5,454
Other non-current liabilities		38,318	38,732	38,612
Total non-current liabilities		1,500,508	1,148,061	1,479,931
Current liabilities				
Borrowing from credit institutions	3	-	376,414	-
Trade payables	3	8,673	7,486	12,395
Current tax liabilities		29,646	86,186	10,595
Accrued expenses		127,533	124,018	136,585
Prepaid income		309,489	267,492	428,436
Lease liabilities		12,683	12,853	12,842
Other current liabilities	3	72,108	38,795	57,159
Total current liabilities		560,132	913,244	658,012
TOTAL EQUITY AND LIABILITIES		3,629,447	3,646,245	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	-	-	-	-	83,739	83,739	155	83,894
Other comprehensive income for the period	-	-	-	8,145	-	8,145	-	8,145
Total comprehensive income/loss	-	-	-	8,145	83,739	91,884	155	92,039
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
Non-controlling interests share of acquisitions and capital increase	-	-	-	-	-	-	6,666	6,666
Sharebased payment	-	-	-	-	3,418	3,418	-	3,418
Total transaction with shareholders	5	-	-5	-	-40,534	-40,534	6,666	-33,868
Closing balance at September 30, 2020	1,508	2,062,361	-5	-312,175	-173,845	1,577,844	7,096	1,584,940

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	-	-	-	-	83,431	83,431	-235	83,196
Other comprehensive income for the period	-	-	-	21,476	-	21,476	42	21,518
Total comprehensive income/loss	-	-	-	21,476	83,431	104,907	-193	104,714
Transaction with shareholders in their capacity as owners:								
Issue of ordinary shares	3	9,735	-	-	-	9,738	-	9,738
Sharebased payment	-	-	-	-	1,364	1,364	-	1,364
Dividend paid	-	-	-	-	-97,849	-97,849	-	-97,849
Total transaction with shareholders	3	9,735	-	-	-96,485	-86,747	-	-86,747
Closing balance at September 30, 2021	1,512	2,072,096	-6	-342,199	-169,639	1,561,764	7,043	1,568,807

Consolidated statement of cash flows

TSEK	Q3		Jan-Sep		Jan-Dec
	2021	2020	2021	2020	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating profit	40,208	40,377	126,111	118,665	131,042
Adjustments:					
Non-cash items	52,277	46,407	158,194	141,866	199,968
Effect of changes in working capital:					
Increase/decrease in inventories	-243	2,362	-3,413	1,804	3,086
Increase/decrease in receivables	-8,009	-9,862	95,024	144,248	75,694
Increase/decrease in trade payables and other payables	-13,294	478	-62,246	-15,153	19,217
Increase/decrease in prepaid income	-74,454	-67,243	-154,303	-132,094	28,850
Interest paid	-4,211	-4,348	-11,787	-14,457	-19,156
Income tax paid	4,822	-8,741	-18,640	-31,822	-59,710
Net effect of changes in working capital	-95,390	-87,354	-155,366	-47,474	47,982
Cash flow from operating activities	-2,905	-570	128,939	213,057	378,992
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of participations in associated companies	-74	-	-74	-22,446	-25,466
Acquisition of subsidiaries	750	-	-267,682	-4,245	-4,245
Loan to associated companies	64	-74	-14,673	-195	-
Increase/(decrease) in deposits and other assets	-	-209	-	-	-
Acquisition of intangible assets	-10,696	-18,121	-42,308	-62,601	-79,690
Acquisition of PPE	-416	-	-1,158	-	-2,947
Cash flow from investing activities	-10,372	-18,404	-325,895	-89,487	-112,348
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase/decrease in borrowings	-	-	-	300,419	294,297
Increase/decrease in lease liabilities	-4,813	-3,494	-13,306	-11,567	-14,891
Dividend paid	-	-	-97,849	-43,952	-43,952
Cash flow from financing activities	-4,813	-3,494	-111,155	244,900	235,454
Cash flow for the period	-18,091	-22,468	-308,109	368,470	502,098
Cash and cash equivalents at the beginning of the period	263,617	443,183	552,921	52,008	52,008
Exchange-rate differences in cash and cash equivalents	1,289	231	2,003	468	-1,184
Cash and cash equivalents at the end of the period	246,815	420,946	246,815	420,946	552,922

Parent company income statement

TSEK	Note	Q3		Jan-Sep		Jan-Dec
		2021	2020	2021	2020	2020
Employee benefit expenses		-5,193	-1,949	-15,061	-7,234	-8,817
Depreciations and amortisations		-10	0	-10	0	0
Other operating expenses		-2,949	-3,858	-7,161	-11,907	-20,810
Operating profit		-8,152	-5,807	-22,232	-19,141	-29,627
Financial income		3,656	3,674	11,352	15,226	18,874
Financial expenses		-19	-9	-64	-132	-355
Net financial items		3,637	3,665	11,288	15,094	18,519
Profit before income tax		-4,515	-2,142	-10,944	-4,047	-11,108
Income tax expense		-	-	-	-	-
Net result		-4,515	-2,142	-10,944	-4,047	-11,108
Total comprehensive income		-4,515	-2,142	-10,944	-4,047	-11,108

Parent company balance sheet

TSEK	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS:				
Investments in group enterprises		1,149,925	1,149,925	1,149,925
Receivables from group enterprises		720,578	709,145	747,792
Total non-current assets		1,870,503	1,859,070	1,897,718
Receivables from group enterprises		-	-	206
Other receivables		1,162	9,896	1,007
Current tax receivable		-	53,280	-
Cash and cash equivalents		10,933	21,598	41,033
Total current assets		12,095	84,774	42,247
TOTAL ASSETS		1,882,598	1,943,844	1,939,964
EQUITY AND LIABILITIES:				
Restricted equity				
Share capital		1,512	1,508	1,509
Treasury shares		-6	-	-6
Share premium		2,072,096	2,062,356	2,062,363
Retained earnings including net profit for the year		-195,800	-121,409	-128,356
Total equity		1,877,802	1,942,455	1,935,510
Trade payables		65	18	407
Trade payables from group companies		4	-	-
Accrued expenses		4,119	1,317	3,989
Other current liabilities		608	54	59
Total current liabilities		4,796	1,389	4,454
TOTAL EQUITY AND LIABILITIES		1,882,598	1,943,844	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 estimates 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 Sep 2021	30 Sep 2020	31 Dec 2020	30 Sep 2021	30 Sep 2020	31 Dec 2020
FINANCIAL ASSETS						
Financial assets at amortised cost						
Trade receivables	59,346	58,813	148,214	59,346	58,813	148,214
Cash and cash equivalents	246,815	420,946	552,921	246,815	420,946	552,921
Total financial assets	306,161	479,759	701,135	306,161	479,759	701,135
FINANCIAL LIABILITIES						
Financial liabilities at fair value through profit or loss (FVPL)						
Contingent considerations	48,248	13,774	9,537	48,248	13,774	9,537
Liabilities at amortised cost						
Trade payables	8,673	7,486	12,395	8,673	7,486	12,395
Non-current borrowing from credit institutions	1,207,492	846,156	1,196,087	1,207,492	846,156	1,196,087
Current borrowings from credit institutions	-	376,414	-	-	376,414	-
Total financial liabilities	1,264,413	1,243,830	1,218,019	1,264,413	1,243,830	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 1.2 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	Q3		Jan-Sep		Jan-Dec
	2021	2020	2021	2020	2020
Earnings attributable to shareholders	23,594	27,828	83,431	83,739	99,903
Weighted average number of ordinary shares	97,849,242	97,670,567	97,830,849	97,670,567	97,670,567
Effect of performance shares	425,347	425,347	425,347	425,347	425,347
Weighted average number of ordinary shares adjusted for the effect of dilution	98,274,589	98,095,914	98,256,196	98,095,914	98,095,914
Earnings per share, basic, SEK	0.24	0.28	0.85	0.86	1.02
Earnings per share, after dilution, SEK	0.24	0.28	0.85	0.85	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	
	Q3		Q3		Q3	
	2021	2020	2021	2020	2021	2020
Online					183,252	153,253
Offline					39,073	39,502
Total net sales	110,756	107,689	111,569	85,067	222,325	192,755
EBITDA	51,746	48,864	40,934	39,512	92,684	88,375
EBITA	49,508	46,981	30,804	29,919	80,315	76,899
EBIT	33,803	31,418	6,402	8,960	40,208	40,377
Net financial items					-9,048	-6,287
Profit before tax					31,160	34,090
Income tax expenses					-7,670	-6,137
Net result					23,490	27,953

TSEK	Denmark		Sweden/Norway		Total	
	Jan-Sep		Jan-Sep		Jan-Sep	
	2021	2020	2021	2020	2021	2020
Online					538,421	460,303
Offline					118,546	122,371
Total net sales	320,276	319,103	336,690	263,571	656,966	582,674
EBITDA	142,804	140,516	139,479	120,095	282,286	260,611
EBITA	136,320	134,773	109,440	93,602	245,765	228,375
EBIT	89,935	87,763	36,173	30,903	126,111	118,665
Net financial items					-27,447	-16,350
Profit before tax					98,664	102,315
Income tax expenses					-15,468	-18,421
Net result					83,196	83,894

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 fully 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.

Echoline SAS

On 1 October 2021, Karnov Group entered into an agreement to acquire 100 percent of the shares issued in the company Echoline SAS based in France at TSEK 36,592. Echoline SAS is a leading French provider of EHS compliance and monitoring software. The company's digital platform is cloud-based, and the business model is based mainly on subscription. The solution is targeted at ISO certified companies in the French speaking areas of Europe and currently represents large and mid-size corporations in France and the Benelux.

The acquisition is in line with the Karnov Group strategy of expanding internationally on the growing market for compliance solutions within Environment, Health and Safety (EHS).

The financial effects of this transaction have not been recognized as of September 30, 2021. Revenue, income as well as assets and liabilities belonging to the acquired company are fully consolidated from 1 October 2021. The purchase price allocation is illustrated on the following table.

The goodwill arising from the acquisition is attributable to Echoline SAS'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	01 Oct 2021
Cash on closing	26,404
Earn-out	10,188
Total purchase price	36,592

Reported amounts, TSEK	
Cash	6,272
PPE	2,083
Intangible assets: Customer relations	3,066
Intangible assets: Technology	14,533
Trade receivables and other receivables	4,433
Trade payables and other liabilities	-5,938
Deferred tax	-4,664
Total identified assets	19,785
Goodwill	16,807
Total	36,592

Financing

The acquisition was paid with cash SEK 26 m. 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.

Ante ApS

On 4 October 2021, Karnov Group entered into an agreement to acquire additional 26 percent of the shares issued in the company Ante ApS gaining a majority stake 51% ownership.

The investment was part of Karnov Group's strategy of establishing a broad technology platform that creates increased relevance and efficiency for professionals working with legal information. In the near future, work will commence in integrating some of the capabilities of Ante into the core legal research platforms of Karnov Group.

The financial effects of this transaction have not been recognized as of September 30, 2021. Revenue, income as well as assets and liabilities belonging to the acquired company are fully consolidated from 1 October 2021. The purchase price allocation is calculated based on 100% of the shares and is illustrated on the following table.

Purchase price, TSEK	04 Oct 2021
Cash	26,120
Earn-out	41,372
Total purchase price	67,492

Reported amounts, TSEK	
Cash	4,649
PPE	5,288
Intangible assets: Customer relations	771
Intangible assets: Technology	21,379
Trade receivables and other receivables	987
Trade payables and other liabilities	-1,212
Deferred tax	-5,927
Total identified assets	25,935
Goodwill	41,557
Total	67,492

Financing

The acquisition of the 26% of the shares was paid by Karnov Group with cash SEK 7 m. 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 2025.

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	Q3		Jan-Sep		Jan-Dec
	2021	2020	2021	2020	2020
Organic business	208,106	195,161	620,402	581,896	773,317
Acquired business	15,649	537	48,092	937	1,531
Currency	-1,430	-2,943	-11,528	-159	-3,432
Total net sales	222,325	192,755	656,966	582,674	771,416

Total net sales split, % TSEK	Q3		Jan-Sep		Jan-Dec
	2021	2020	2021	2020	2020
Organic growth, %	8.0%	3.0%	6.5%	2.5%	2.1%
Acquired growth, %	8.0%	0.3%	8.3%	0.2%	0.2%
Currency effect, %	-0.7%	-1.6%	-2.0%	-0.1%	-0.5%
Total growth, %	15.3%	1.7%	12.8%	2.6%	1.8%

Items affecting comparability TSEK	Q3		Jan-Dec
	2021	2020	2020
M&A related costs	-7,500	-	-4,165
Restructuring costs	-	-	-8,038
Total	-7,500	-	-12,203

Group	Q3		Jan-Sep		Jan-Dec
	2021	2020	2021	2020	2020
TSEK					
Net sales	222,325	192,755	656,966	582,674	771,416
EBITDA	92,684	88,375	282,286	260,611	321,431
EBITDA margin, %	41.7%	45.8%	43.0%	44.7%	41.7%
Items affecting comparability	7,500	-	7,500	-	12,203
Adjusted EBITDA	100,184	88,375	289,786	260,611	333,634
Adjusted EBITDA margin, %	45.1%	45.8%	44.1%	44.7%	43.2%
Depreciations and amortisations	-12,369	-11,476	-36,521	-32,236	-45,476
EBITA	80,315	76,899	245,765	228,375	275,955
EBITA margin, %	36.1%	39.9%	37.4%	39.2%	35.8%
Adjusted EBITA	87,815	76,899	253,265	228,375	288,158
Adjusted EBITA margin, %	39.5%	39.9%	38.6%	39.2%	37.4%
Amortisation (acquisitions)	-40,107	-36,522	-119,654	-109,710	-144,913
EBIT	40,208	40,377	126,111	118,665	131,042

Denmark	Q3		Jan-Sep		Jan-Dec
	2021	2020	2021	2020	2020
TSEK					
Net sales	110,756	107,689	320,276	319,103	419,207
EBITDA	51,746	48,864	142,804	140,516	176,029
EBITDA margin, %	46.7%	45.4%	44.6%	44.0%	42.0%
Items affecting comparability	-	-	-	-	1,709
Adjusted EBITDA	51,746	48,864	142,804	140,516	177,738
Adjusted EBITDA margin, %	46.7%	45.4%	44.6%	44.0%	42.4%
Depreciations and amortisations	-2,238	-1,883	-6,484	-5,743	-10,247
EBITA	49,508	46,981	136,320	134,773	165,782
EBITA margin, %	44.7%	43.7%	42.6%	42.2%	39.5%
Adjusted EBITA	49,508	46,981	136,320	134,773	167,491
Adjusted EBITA margin, %	44.7%	43.6%	42.6%	42.2%	40.0%
Amortisation (acquisitions)	-15,705	-15,563	-46,385	-47,010	-61,255
EBIT	33,803	31,418	89,935	87,763	104,527

Sweden/Norway	Q3		Jan-Sep		Jan-Dec
	2021	2020	2021	2020	2020
TSEK					
Net sales	111,569	85,067	336,690	263,571	352,209
EBITDA	40,934	39,512	139,479	120,095	145,401
EBITDA margin, %	36.7%	46.4%	41.4%	45.6%	41.3%
Items affecting comparability	7,500	-	7,500	-	10,494
Adjusted EBITDA	48,435	39,512	146,978	120,095	155,895
Adjusted EBITDA margin, %	43.4%	46.4%	43.7%	45.6%	44.3%
Depreciations and amortisations	-10,131	-9,593	-30,038	-26,493	-35,228
EBITA	30,804	29,919	109,440	93,602	110,173
EBITA margin, %	27.6%	35.2%	32.5%	35.5%	31.3%
Adjusted EBITA	38,304	29,919	116,940	93,602	120,667
Adjusted EBITA margin, %	34.3%	35.2%	34.7%	36%	34.3%
Amortisation (acquisitions)	-24,401	-20,959	-73,267	-62,699	-83,659
EBIT	6,402	8,960	36,173	30,903	26,515

Return on capital

TSEK	30 Sep 2021	30 Sep 2020	31 Dec 2020
EBIT	126,111	118,665	131,042
Total assets	3,629,447	3,646,245	3,688,783
Return on capital, %	3.5%	3.3%	3.6%

Net working capital

TSEK	30 Sep 2021	30 Sep 2020	31 Dec 2020
Current assets	350,755	586,406	737,134
Current liabilities	560,132	913,244	658,012
Net working capital	-209,377	-326,838	79,122

Cash conversion

TSEK	Q3		Jan-Sep		Jan-Dec
	2021	2020	2021	2020	2020
Adjusted EBITDA	100,184	88,375	289,786	260,611	333,634
Cash flow from operating activities	-2,905	-570	128,939	213,057	378,992
Interest paid	4,211	4,348	11,787	14,457	19,156
Income tax paid	-4,822	8,741	18,640	31,822	59,710
Items affecting comparability	7,500	-	7,500	-	12,203
Capex related to new product development	-8,287	-13,099	-28,686	-40,599	-56,298
Adjusted cash flow from operating activities	-	4,302	138,182	218,737	413,762
Cash conversion, %	-4.3%	-0.7%	47.7%	83.9%	124.0%

Net debt

TSEK	30 Sep 2021	30 Sep 2020	31 Dec 2020
Non-current borrowing from credit institutions	1,207,492	846,156	1,196,087
Leasing liabilities, long term	87,306	91,780	86,539
Current borrowing from credit institutions	-	376,414	-
Leasing liabilities, short term	12,683	12,853	12,842
Cash and cash equivalents	246,815	420,946	552,921
Net debt	1,060,666	906,256	742,548

Leverage ratio

TSEK	30 Sep 2021	30 Sep 2020	31 Dec 2020
Adjusted EBITDA LTM	362,802	331,018	333,634
Net debt	1,060,666	906,256	742,548
Leverage ratio	2.9	2.7	2.2

Quarterly overview

	Q3	Q2	Q1	Q4	Q3
TSEK	2021	2021	2021	2020	2020
Income statement					
Net sales	222,325	201,121	233,519	188,742	192,755
EBITDA	92,684	82,964	106,631	60,820	88,375
EBITDA margin, %	41.7%	41.3%	45.7%	32.2%	45.8%
EBITA	80,315	70,447	94,996	47,581	76,899
EBITA margin, %	36.1%	35.0%	40.7%	25.2%	39.9%
Adjusted EBITA	87,815	70,447	94,996	59,784	76,899
Adjusted EBITA margin, %	39.5%	35.0%	40.7%	31.7%	39.9%
EBIT	40,208	28,834	57,062	12,377	40,377
EBIT, margin %	18.1%	14.3%	24.4%	6.6%	20.9%
Net financial items	-9,048	-7,599	-10,794	5,883	-6,287
Net result	23,490	19,985	39,719	16,110	27,953
Balance sheet					
Non-current assets	3,278,692	3,305,259	3,365,706	2,951,649	3,059,839
Current assets	350,755	358,521	512,328	737,134	586,406
Cash and cash equivalents	246,815	263,617	360,797	552,921	420,946
Equity	1,568,807	1,532,730	1,637,652	1,550,840	1,584,940
Non-current liabilities	1,500,508	1,507,962	1,524,012	1,479,931	1,148,061
Current liabilities	560,132	623,088	716,370	658,012	913,244
Total assets	3,629,447	3,663,780	3,878,034	3,688,783	3,646,245
Cash flow					
Cash flow from operating activities	-2,905	34,060	97,781	162,721	-570
Cash flow from Investing activities	-10,373	-27,607	-287,916	-23,056	-18,404
Cash flow from financing activities	-4,813	-102,779	-3,563	-3,324	-3,494
Cash flow for the period	-18,090	-96,325	-193,698	136,341	-22,468
Key ratios					
Net working capital	-209,377	-264,567	-204,042	79,122	-326,838
Return on capital, %	1.1%	0.8%	1.5%	0.3%	1.1%
Equity/asset ratio, %	43.2%	41.8%	42.2%	42.0%	43.5%
Cash conversion, %	-4.3%	46.0%	97.8%	262.7%	-0.7%
Net debt	1,060,666	1,044,156	957,835	643,166	906,256
Share data:					
Weighted average number of ordinary shares	97,849,242	97,849,242	97,793,030	97,670,567	97,670,567
Earnings per share, basic, SEK	0.24	0.21	0.41	0.17	0.28
Earnings per share, after dilution, SEK	0.24	0.20	0.40	0.16	0.28

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 and lease liabilities 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 Sep 2021	Average rate Jan-Sep 2021	Closing rate 30 Sep 2020	Average rate Jan-Sep 2020	Closing rate 31 Dec 2020	Average rate Jan-Dec 2020
1 DKK is equivalent to SEK	1.3718	1.3648	1.4156	1.4159	1.3492	1.4070

OTHER

Amounts in tables and combined amounts have been rounded off on an individual basis. Minor differences due to this rounding off may, therefore, appear in the totals. Figures commented in the text are presented in million SEK unless otherwise stated. Comparative figures from previous period are presented in brackets.

Karnov Group today

80,000+

Users

1,500+

Specialists

290+

Employees

Karnov Group (publ) is a leading provider of information solutions for professionals in the areas of legal, tax and accounting, and environmental, health and safety in Denmark and Sweden. Karnov was founded on one man's belief that access to the law is the foundation of every great society and our legacy dates back to 1867. Over time, the Karnov Group has evolved from a traditional publishing company to a digital information provider.

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.

With strong brands such as Karnov, Norstedts Juridik, Notisum, Legal Cross Border, Forlaget Andersen, LEXNordics, DIBkunnskap and Echoline, Karnov Group delivers knowledge and insights to more than 80,000 users.

Karnov's is organised into two geographical financial reporting segments and the product offering, subject to a few variations, is similar in all countries.

Denmark: Legal, tax and accounting online and offline products and solutions

Sweden: Legal online and offline products, compliance solutions and legal training

Norway: Tax and accounting online workflow tools

With offices in Copenhagen, Stockholm, Oslo, Paris and Malmo, Karnov Group employs around 290 people.

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



Better decisions, faster.

Find what you need, trust what you find and do it quickly.