

Year-end report

January – December 2021

Q4

Delivering on the expansion strategy

Financial highlights fourth quarter

- Net sales increased by 17% to SEK 221 m (189), organic growth was 7%.
- EBITA amounted to SEK 32 m (48) with EBITA margin of 14.4% (25.2%). Items affecting comparability amounted to SEK 42 m (12).
- Adjusted EBITA amounted to SEK 74 m (60) with EBITA margin of 33.3% (31.7%).
- Net result amounted to SEK 1 m (16).
- Earnings per share after dilution amounted to SEK 0.01 (0.16).
- Adjusted operating cash flow amounted to SEK 248 m (192).

Financial highlights full year

- Net sales increased by 14% to SEK 878 m (771), organic growth was 7%.
- EBITA amounted to SEK 278 m (276) with EBITA margin of 31.6% (35.8%).
- Adjusted EBITA amounted to SEK 327 m (288) with EBITA margin of 37.2% (37.4%).
- Net result amounted to SEK 84 m (100).
- Earnings per share after dilution amounted to SEK 0.86 (1.02).
- Adjusted operating cash flow amounted to SEK 387 m (414).

Business highlights

- Karnov Group submits a binding offer to acquire carved out legal information-based businesses of both Thomson Reuters in Spain and Wolters Kluwer in Spain and France.
- Karnov Group carries out a directed share issue of 9,827,458 ordinary shares, entailing net proceeds of approx. SEK 583 million.
- Karnov Group assumes ownership of 100% of the shares in Echoline SAS.
- Karnov Group acquires additional 26% of the shares in Ante ApS and now holds a majority stake of 51%.
- Karnov Group acquires additional 60% of the shares in BELLA Intelligence ApS and attains full ownership.
- As Karnov Group is preparing to complete the intended acquisition in Spain and France and recently raised capital to partly finance the acquisition, the Board of Directors propose no dividend for the AGM on 10 May 2022.

Key financial ratios for the Group*

TSEK	Q4			Jan-Dec		
	2021	2020	Δ%	2021	2020	Δ%
Net sales	221 106	188 742	17,1%	878 072	771 416	13,8%
Organic growth, %	7,4%	1,2%		6,7%	2,1%	
EBITA	31 801	47 581	-33,2%	277 563	275 955	0,6%
EBITA margin, %	14,4%	25,2%		31,6%	35,8%	
Adjusted EBITA	73 664	59 784	23,2%	326 926	288 158	13,5%
Adjusted EBITA margin, %	33,3%	31,7%		37,2%	37,4%	
Net result	1 023	16 110	-93,6%	84 217	100 004	-15,8%
Adjusted cash flow from operating activities	248 009	191 811	29,3%	386 191	413 762	-6,7%

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

KARNOV
GROUP

Comments by the CEO

”

I am pleased with how we have been able to execute on our growth strategy during the year. We have completed five acquisitions. The acquisitions strengthen the customer value and generate new growth opportunities for Karnov Group, helping our customers in making better decisions, faster.

”



Pontus Bodelsson
President and CEO

It has been a great year for Karnov Group and we have ended the year on a strong note, delivering another growth quarter with good margins. In the fourth quarter, we have delivered on our strategy, with three acquisitions which will strengthen our offerings even more. We have also announced our intention to acquire legal information-based businesses in Spain and France.

A great year for our businesses

During 2021, our net sales growth was 14%, and the fourth quarter was 17%. The organic growth was 7%, with both our segments being successful in growing the business. We perform well in new sales and upselling to existing customers within our legal core, and we continue to be successful in gaining market shares in our verticals, municipalities and EHS.

In the fourth quarter, we have completed the acquisition of Echoline and thereby strengthened our EHS offering as well as expanded geographically to France and Benelux. We have also become majority shareholders in Ante, as well as attained full ownership of BELLA Intelligence. The companies have performed in line with expectations in the fourth quarter.

The adjusted EBITA margin was 33.3% in the fourth quarter, higher than the comparing period the previous year, and a result of our efforts during the year. For the full year, the adjusted EBITA margin was 37.2%, of which we are satisfied.

Following our strong cash flow and the directed share issue carried out in December 2021, our leverage is at the low level of 1.0 at the end of the quarter.

Delivering on strategy

I am pleased with how we have been able to execute on our growth strategy during the year. We have completed five acquisitions, expanding the business in new verticals, technology bolt-ons as well as through geographic expansion. The acquisitions strengthen the customer value and generate new growth opportunities for Karnov Group, with new technologies that we can integrate into our core legal platforms, helping our customers in making better decisions, faster.

Binding offer for future growth

In December, we announced our intention to acquire carved out legal information-based businesses of both Thomson Reuters in Spain and Wolters Kluwer in Spain and France.

Building on our experiences from previous expansions, we are encouraged to continue our growth journey. We intend to enter two interesting markets in Spain and France and establish a strong foothold in the region. We see an opportunity to strengthen the customer offering and create a basis for value creation within the acquired entities, bringing our knowledge from past acquisitions.

We are proceeding with the transaction process as we have planned. In February 2022, we completed consultation with the French and European works councils. Closing of the transaction is subject to clearance by the Spanish Antitrust Authority and we estimate that this will happen during the year of 2022.

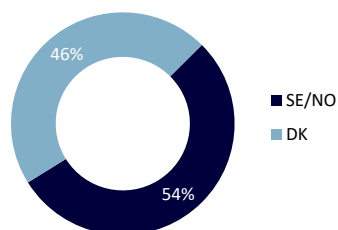
As we are currently preparing to execute on the intended acquisition in Spain and France, and recently raised capital to partly finance the acquisition, the Board of Directors has decided to propose no dividend for the AGM on 10 May 2022.

Karnov Group's financial targets:

Growth	Profitability	Capital structure	Dividend policy
Net sales organic annual growth of 3-5% in the medium term, supplemented by selective acquisitions.	Increased Adjusted EBITA margin in the medium term.	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.	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

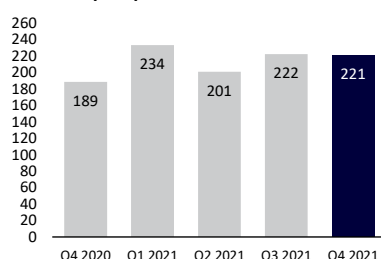
Net sales by country per fourth quarter, %



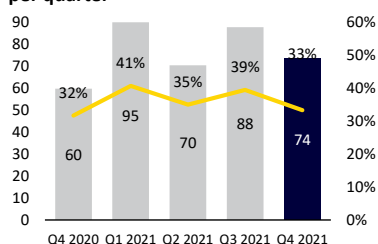
14%

Net sales growth YTD

Net sales per quarter, SEKm



Adjusted EBITA, SEKm and margin, % per quarter



Fourth quarter and full-year period

TSEK	Q4			Jan-Dec		
	2021	2020	Δ%	2021	2020	Δ%
Net sales	221.106	188.742	17,1%	878.072	771.416	13,8%
Organic growth, %	7,4%	1,2%		6,7%	2,1%	
EBITA	31.801	47.581	-33,2%	277.563	275.955	0,6%
EBITA margin, %	14,4%	25,2%		31,6%	35,8%	
Adjusted EBITA	73.664	59.784	23,2%	326.926	288.158	13,5%
Adjusted EBITA margin, %	33,3%	31,7%		37,2%	37,4%	

Net sales and growth

For the three-month period, October-December 2021, net sales increased by SEK 32 m to SEK 221 m (189). Acquired growth contributed with SEK 19 m. Organic growth on a constant currency basis was 7.4 percent, currency effects had a negative impact on net sales of -0.3 percent and acquired growth accounted for 10.0 percent. In the fourth quarter, we have performed well, growing our market shares, especially in the public sector, municipalities and our EHS vertical. Our new acquisition Echoline has performed in line with expectations in the fourth quarter. We have also been successful in upselling to existing customers. Both Denmark and Sweden/Norway contributed positively to the growth. At the end of the fourth quarter, DIBkunnskap launched their IFRS service on the Swedish market.

For the full year, the Group's net sales increased by 13.8 percent to SEK 878 m (771). Organic growth on a constant currency basis was 6.7 percent, currency effects had a negative impact on net sales of -1.6 percent and acquired growth accounts for 8.7 percent.

Operating income

EBITA for the quarter amounted to SEK 32 m (48) and EBITA margin amounted to 14.4 percent (25.2). Adjusted EBITA amounted to SEK 74 m (60) and adjusted EBITA margin was 33.3 percent (31.7). The margin was due to a combination of higher net sales, better product mix and efficiency gains in our strive for operational excellence.

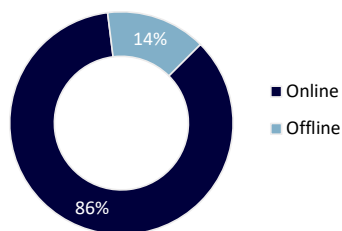
The items affecting comparability of SEK 41.9 million is related to the planned acquisition in Spain and France.

Operating profit (EBIT) was SEK -10 m (12) for the quarter.

For the full year, EBITA amounted to SEK 278 m (276) and EBITA margin amounted to 31.6 percent (35.8). Adjusted EBITA was SEK 327 m (288) and adjusted EBITA margin amounted to 37.2 percent (37.4). The acquisition of DIBkunnskap AS has diluted the adjusted EBITA margin on group level by approximately 1 percentage point.

Operating profit (EBIT) was SEK 116 m (131) for the full year.

Net sales split per fourth quarter, %



37.2%

Adjusted EBITA margin
YTD



103.2%

Cash conversion
YTD

Net financial items

Net financial items for the quarter amounted to SEK 6 m (6) including SEK 15 m (5) as income from adjustment of earn-out liabilities. Currency effect for the quarter was SEK -3 m (0), relating to long-term loans in DKK.

Net financial items for the full year amounted to SEK -21 m (-10). Currency effect for the full year was SEK -16 m (0).

Profit before and after tax, Earnings per share

Profit before tax for the quarter decreased by SEK 14 m to SEK 4 m (18) mainly driven by costs for items affecting comparability.

Profit after tax for the quarter was SEK 1 m (16). Taxes amounted to SEK 3 m (2). The items affecting comparability of SEK 41.9 million are treated as non-deductible for tax.

Profit before tax for the full year was SEK 103 m (121).

Profit after tax for the full year was SEK 84 m (100).

Earnings per share after dilution was SEK 0.01 (0.16) for the quarter and SEK 0.86 (1.02) for the full year.

Cash flow and investments

Cash flow from operating activities amounted to SEK 185 m (163).

Total investments for the quarter amounted to SEK -60 m (-23) whereof SEK 49 m relates to acquisitions.

Total financing for the quarter amounted to SEK 579 m (-3) whereof SEK 583 m relates to net proceeds from share issue in December.

The cash flow generation was positive in the quarter mainly due to timing of invoicing and payment of other liabilities causing the cash conversion rate increasing to 293.5 percent (262.7).

The cash conversion rate for the full year was 103.2 percent (124.0).

Cash conversion TSEK	Q4		Jan-Dec	
	2021	2020	2021	2020
Adjusted EBITDA	84 487	73 023	374 271	333 634
Adjusted cash flow from operating activities	248 009	191 811	386 191	413 762
Cash conversion, %	293,5%	262,7%	103,2%	124,0%



1.0
Leverage

Financial position

Net debt was SEK 358 m (743) 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 change in net debt compared to the corresponding quarter is mainly effected by payment for the acquisition of DIBkunnskap AS in the first quarter of 2021, the pay-out of dividend to shareholders in line with the resolution at the AGM in May 2021 and the share issue carried out in December 2021.

The leverage at the end of the period was 1.0 (2.2) times and the equity ratio was 47.6 (42.0) percent with an equity of SEK 2,154m (1,551).

Net Debt	Q4		Jan-Dec
	2021	2020	2020
TSEK			
Total borrowings	1 309 035	1 295 469	1 295 469
Cash and cash equivalents	951 471	552 921	552 921
Net debt	357 564	742 548	742 548
Leverage ratio	1,0	2,2	2,2
Equity	2 154 055	1 550 840	1 550 840
Equity/asset ratio, %	47,6%	42,0%	42,0%

Cash and cash equivalents at the end of the period amounted to SEK 951 m (553) and the Group had unutilised credit lines of SEK 236 m (247).

Karnov Group has also secured a new bridge loan facility and other debt facilities with Nordea of EUR 160 million, to be utilized given clearance to proceed with the intended acquisitions in Spain and France.

In December 2021, Karnov Group carried out a directed share issue of 9,827,458 ordinary shares, entailing net proceeds of approximately SEK 583 million. The issue was carried out to repay part of the bridge loan financing for the intended acquisition in Spain and France.

Significant events

Fourth quarter

- › Karnov Group announces submission of a binding offer to acquire carved out legal information-based businesses of both Thomson Reuters in Spain and Wolters Kluwer in Spain and France for a cash consideration of approximately EUR 160 million on a cash- and debt-free basis. Completion of the contemplated transaction is envisaged to occur no later than during 2022, subject to clearance by the Spanish Antitrust Authority.
- › Karnov Group carries out a directed share issue of 9,827,458 ordinary shares, entailing net proceeds of approximately SEK 583 million. The issue is carried out as part of the financing of the intended acquisition of the carved out legal information-based businesses of both Thomson Reuters in Spain and Wolters Kluwer in Spain and France.
- › Karnov Group assumes ownership of 100% of the shares in Echoline SAS. The company's financials are consolidated from 1 October 2021.
- › Karnov Group acquires additional 26% of the shares in Ante ApS and holds a majority stake of 51% of the shares. The company's financials are consolidated from 4 October 2021.
- › Karnov Group acquires additional 60% of the shares in BELLA Intelligence ApS and attaining full ownership of the company. The company's financials are consolidated from 5 November 2021.

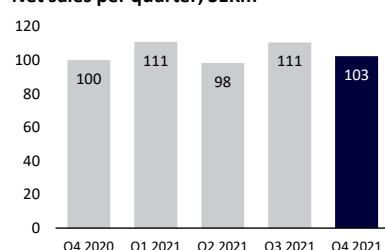
Events after the end of the period

- › As Karnov Group is preparing to complete the intended acquisition in Spain and France and recently raised capital to partly finance the acquisition, the Board of Directors propose no dividend for the AGM on 10 May 2022.

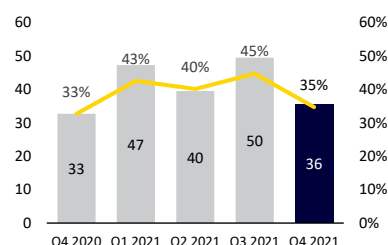
Segment performance

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, Legal Cross Border, Ante and BELLA Intelligence.

Net sales per quarter, SEKm



Adjusted EBITA, SEKm and margin, % per quarter



Denmark

TSEK	Q4		Δ%	Jan-Dec		Δ%
	2021	2020		2021	2020	
Net sales	102 526	100 104	2,4%	422 802	419 207	0,9%
Organic growth, %	3,1%	0,8%		3,8%	0,5%	
EBITA	35 605	31 009	14,8%	171 929	165 782	3,7%
EBITA margin, %	34,7%	31,0%		40,7%	39,5%	
Adjusted EBITA	35 605	32 718	8,8%	171 929	167 491	2,6%
Adjusted EBITA margin, %	34,7%	32,7%		40,7%	40,0%	

Net sales and growth

Net sales for the quarter increased to SEK 103 m (100). The organic growth for the quarter was 3.1 percent (0.8). Currency effects had a negative impact of -1.4 percent. The organic growth is mainly driven by online sales.

In the fourth quarter, we have launched new features within tax and accounting, municipalities and criminal law to our appreciated online library. We will continue to build online library related products and thereby expanding the online book universe. After the end of the period, we have had our first sales of the new municipality product.

For the full year, net sales increased to SEK 423 m (419). Organic growth was 3.8 percent (0.5) and currency effects had a negative impact of -3.1 percent.

Operating income

In the fourth quarter, EBITA and adjusted EBITA amounted to SEK 36 m (33) and EBITA margin amounted to 34.7 percent (32.7).

Operating profit (EBIT) for the quarter increased by SEK 2 m to SEK 19 m (17) compared to same period last year.

For the full year, EBITA and adjusted EBITA increased by SEK 6 m to SEK 172 m (166) and the EBITA and adjusted EBITA margin was 40.7 percent (39.5).

Operating profit (EBIT) for the full year increased to SEK 109 m (105).

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, DIBkunnskap and Echoline.

TSEK	Q4			Jan-Dec		
	2021	2020	Δ%	2021	2020	Δ%
Net sales	118 580	88 638	33,8%	455 270	352 209	29,3%
Organic growth, %	12,2%	1,6%		10,1%	4,2%	
EBITA	-3 804	16 572	-123,0%	105 635	110 173	-4,1%
EBITA margin, %	-3,2%	18,7%		23,2%	31,3%	
Adjusted EBITA	38 059	27 066	40,6%	154 998	120 667	28,5%
Adjusted EBITA margin, %	32,1%	30,5%		34,0%	34,3%	

Net sales and growth

Net sales for the quarter increased by 33.8 percent to SEK 119 m (89) including SEK 18 m from acquired business. Organic growth was 12.2 percent (1.6), acquired growth was 20.6 (0.7) percent and currency effect was positive at 1.0 percent (0.0). The increase in net sales is driven by the businesses gaining market shares, especially in the public sector, municipalities and the EHS vertical and by upselling to existing customers.

The functionalities in the EHS offerings and broad municipality solution are valued by our users driving our growth in the two markets. The new acquisition Echoline SAS has been consolidated in the segment from 1 October 2021. The acquired businesses have performed well during the quarter, and DIBkunnskap launched their IFRS service in Sweden at the end of the quarter.

For the full year, net sales increased by SEK 103 m to SEK 455 m (352). Organic growth was 10.1 percent (4.2), acquired growth was 18.8 percent (0.5) and currency effect was 0.3 percent (0.0).

Operating income

In the fourth quarter, EBITA was SEK -4 m (17) and EBITA margin was -3.2 percent (18.7). EBITA was impacted by SEK 42 m (10) in cost for items affecting comparability.

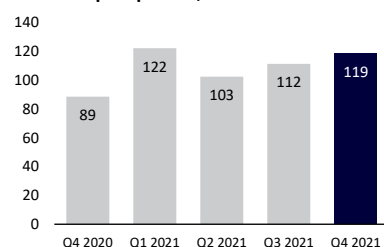
Adjusted EBITA amounted to SEK 38 m (27) and adjusted EBITA margin was 32.1 percent (30.5) driven by the increase in net sales. DIBkunnskap AS has diluted the margin in the Sweden/Norway segment with approximately 2 percentage points.

Operating profit (EBIT) in the quarter was SEK -29 m (-4).

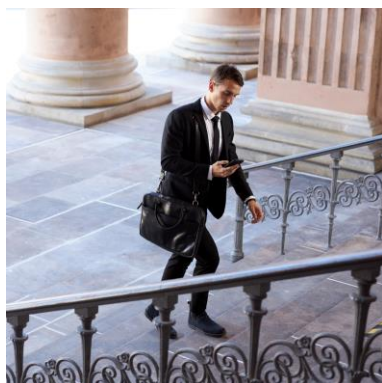
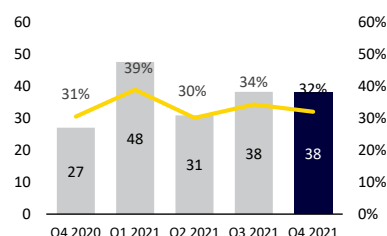
For the full year, EBITA decreased by SEK 4 m to SEK 106 m (110) and the EBITA margin was 23.2 percent (31.3). EBITA was impacted by SEK 49 m (10) in cost for items affecting comparability. Adjusted EBITA amounted to SEK 155 m (121) and adjusted EBITA margin was 34.0 percent (34.3).

Operating profit (EBIT) for the full year amounted to SEK 7 m (27).

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 fourth quarter amounted to 296 (255). The increase is mainly due to the acquisition of DIBkunnskap AS, Ante and Echoline SAS. On average during the fourth quarter, 52% (48%) of the workforce were males and 48% (52%) females.

Annual General Meeting (AGM)

The AGM for 2022 will be held on 10 May 2022 in Stockholm. Time will be announced in connection with the notice of the AGM.

Annual Report

The 2021 Annual Report, Sustainability Report and Corporate Governance Report is planned to be published on 31 March 2022. The report will be available on the company's website www.karnovgroup.com, and kept available in the company's office.

Proposed dividend

As Karnov Group is preparing to complete the intended acquisition in Spain and France and recently raised capital to partly finance the acquisition, the Board of Directors propose no dividend for the AGM on 10 May 2022.

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 14 December 2021 the Company carried out a directed issue of 9,827,458 ordinary shares of series A to repay part of the bridge loan facility agreed with Nordea to finance the intended acquisition of the carved out legal information-based businesses of both Thomson Reuters in Spain and Wolters Kluwer in Spain and France.

On 31 December 2021, the total number of shares and votes in Karnov Group AB (publ) amounts to 108,102,047 shares and 107,719,234.7 votes. Each share has a quotient value of approximately SEK 0.015385. The total number of shares consists of 107,676,700 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 31 December 2021, the Company had 1,631 known shareholders. The five largest shareholders in Karnov Group AB (publ) were Swedbank Robur Funds, Invesco, Carnegie Funds, 4AP Funds and Long Path Partners.

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 fourth 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 -53 m (-10).

Outlook

Karnov Group does not provide financial forecasts.

Review

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

Disclosure

This interim report contains inside information that Karnov Group AB (publ) is required to make public pursuant to the EU Market Abuse Regulation (MAR). The information was submitted for publication by the contact person below on 23 February 2022 at 8.00 am CET.

Karnov Group AB (publ)

Stockholm, 23 February 2022

Pontus Bodelsson
President and CEO

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Q4 presentation webcast

Karnov Group will present the third quarter for analysts and investors via a webcast teleconference on 23 February at 10.00 am CET. To participate, use the following link:
<https://tv.streamfabriken.com/karnov-group-q4-2021>
or dial-in numbers:
SE: +46 8 505 58 359
DK: +45 8 233 31 94
NO: +47 2 350 02 36
UK: +44 333 300 90 32
US: +16319131422 (PIN code for US): 10378149#
The presentation will also be available on www.financialhearings.com

Financial calendar 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

Consolidated income statement of comprehensive income

TSEK	Note	Q4		Jan-Dec	
		2021	2020	2021	2020
Net sales	5	221 106	188 742	878 072	771 416
Total revenue		221 106	188 742	878 072	771 416
Goods for resale		-37 746	-31 984	-138 722	-131 754
Employee benefit expenses		-73 801	-66 240	-279 934	-234 667
Depreciations and amortisations		-52 429	-48 443	-208 604	-190 389
Other operating expenses		-66 936	-29 698	-134 507	-83 564
Operating profit		-9 806	12 377	116 305	131 042
Financial income		14 930	14 333	15 311	14 503
Financial expenses		-8 554	-8 450	-36 384	-24 970
Net financial items		6 375	5 883	-21 072	-10 467
Revaluation of associated investments		7 920	-	7 920	-
Profit before income tax		4 490	18 260	103 152	120 575
Income tax expense		-3 466	-2 150	-18 935	-20 571
Net result		1 023	16 110	84 217	100 004
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations		4 137	-51 499	25 655	-43 354
Other comprehensive income for the period		4 137	-51 499	25 655	-43 354
Total comprehensive income for the period		5 160	-35 388	109 872	56 650
Profit for the period is attributable to:					
Owners of Karnov Group AB		1 483	16 164	84 912	99 903
Non-controlling interests		-460	-54	-695	101
Net result		1 023	16 110	84 217	100 004
Total comprehensive income for the period is attributable to:					
Owners of Karnov Group AB		5 618	-35 334	110 565	56 549
Non-controlling interests		-458	-54	-693	101
Total comprehensive income		5 160	-35 388	109 872	56 650
Earnings per share, basic, SEK	4	0,01	0,17	0,87	1,02
Earnings per share, after dilution, SEK	4	0,01	0,16	0,86	1,02

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

Consolidated balance sheet

TSEK	Note	31 Dec 2021	31 Dec 2020
ASSETS:			
Goodwill		1 911 944	1 623 978
Other intangible assets		1 242 376	1 149 935
Right-of-use assets		96 018	95 545
Property, plant and equipment (PPE)		6 170	6 280
Investments in associated companies		62 224	70 347
Loans to associated companies		15 319	3 036
Deposits		2 771	2 528
Total non-current assets		3 336 821	2 951 649
Inventories		11 667	10 011
Trade receivables	3	197 374	148 214
Prepaid expenses		13 267	7 556
Other receivables		1 127	986
Tax receivable		10 195	17 446
Cash and cash equivalents		951 471	552 921
Total current assets		1 185 101	737 134
TOTAL ASSETS		4 521 922	3 688 783
TSEK		31 Dec 2021	31 Dec 2020
Capital and reserves attributable to equity holders of the company			
Share capital		1 663	1 509
Share premium		2 654 839	2 062 361
Treasury shares		-6	-6
Reserves		-338 022	-363 675
Retained earnings including net profit for the year		-170 953	-156 585
Total equity attributable to the parent company's shareholders		2 147 521	1 543 604
Non-controlling interest		6 533	7 236
Total equity		2 154 055	1 550 840
Non-current liabilities			
Borrowing from credit institutions	3	1 209 642	1 196 087
Lease liabilities		86 916	86 539
Deferred tax liability		164 403	153 239
Provisions		5 754	5 454
Other non-current liabilities		63 551	38 612
Total non-current liabilities		1 530 266	1 479 931
Current liabilities			
Trade payables	3	25 670	12 395
Current tax liabilities		12 917	10 595
Accrued expenses		172 404	136 585
Prepaid income		519 857	428 436
Lease liabilities		12 477	12 842
Other current liabilities		94 276	57 159
Total current liabilities		837 600	658 012
TOTAL EQUITY AND LIABILITIES		4 521 922	3 688 783

Consolidated statement of changes in equity

Equity attributable to the parent company's shareholders

TSEK	Share capital	Share premium	Treasury shares	Reserves	Retained earnings	Equity attributable to the parent company's shareholders	Non-controlling interest	Total equity
Balance at January 1, 2020	1 503	2 062 361	-	-320 320	-217 050	1 526 494	275	1 526 769
Net result	-	-	-	-	99 903	99 903	101	100 004
Other comprehensive income for the period	-	-	-	-43 355	-	-43 355	3	-43 352
Total comprehensive income/loss	-	-	-	-43 355	99 903	56 548	104	56 652
Transaction with shareholders in their capacity as owners:								
Dividend paid	-	-	-	-	-43 952	-43 952	-	-43 952
Issue of C-shares	6	-	-	-	-	6	-	6
Acquisition of treasury shares	-	-	-6	-	-	-6	-	-6
Non-controlling interests share of acquisitions and capital increase	-	-	-	-	-	-	6 857	6 666
Sharebased payment	-	-	-	-	4 514	4 514	-	4 514
Total transaction with shareholders	6	-	-6	-	-39 438	-39 438	6 857	-32 772
Closing balance at December 31, 2020	1 509	2 062 361	-6	-363 675	-156 585	1 543 604	7 236	1 550 840

Equity attributable to the parent company's shareholders

TSEK	Share capital	Share premium	Treasury shares	Reserves	Retained earnings	Equity attributable to the parent company's shareholders	Non-controlling interest	Total equity
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	-	-	-	-	84 912	84 912	-695	84 217
Other comprehensive income for the period	-	-	-	25 653	-	25 653	2	25 655
Total comprehensive income/loss	-	-	-	25 653	84 912	110 565	-693	109 872
Transaction with shareholders in their capacity as owners:								
Issue of ordinary shares	154	592 478	-	-	-	592 632	-	592 632
Non-controlling interests share of acquisitions and capital increase	-	-	-	-	-	-	-10	-10
Sharebased payment	-	-	-	-	-1 430	-1 430	-	-1 430
Dividend paid	-	-	-	-	-97 849	-97 849	-	-97 849
Total transaction with shareholders	154	592 478	-	-	-99 279	493 353	-10	493 343
Closing balance at December 31, 2021	1 663	2 654 839	-6	-338 022	-170 953	2 147 521	6 533	2 154 055

Consolidated statement of cash flows

TSEK	Q4		Jan-Dec	
	2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating profit	-9 806	12 377	116 305	131 042
Adjustments:				
Non-cash items	49 796	58 102	207 990	199 968
Effect of changes in working capital:				
Increase/decrease in inventories	1 756	1 282	-1 655	3 086
Increase/decrease in receivables	-135 652	-68 554	-40 628	75 694
Increase/decrease in trade payables and other payables	103 397	31 156	41 151	19 217
Increase/decrease in prepaid income	205 214	160 944	50 911	28 850
Interest paid	-2 820	-4 699	-14 607	-19 156
Income tax paid	-26 666	-27 888	-45 306	-59 710
Net effect of changes in working capital	145 230	92 242	-10 133	47 982
Cash flow from operating activities	185 221	162 720	314 161	378 991
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of participations in associated companies	477	-3 020	403	-25 466
Acquisition of subsidiaries	-40 148	-	-307 830	-4 245
Loan to associated companies	-	-	-14 673	-
Acquisition of intangible assets	-19 635	-17 089	-61 943	-79 690
Acquisition of PPE	-253	-2 947	-1 411	-2 947
Cash flow from investing activities	-59 559	-23 056	-385 454	-112 348
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase/decrease in borrowings	-	-	-	294 297
Increase/decrease in lease liabilities	-4 100	-3 324	-17 406	-14 891
Proceeds from share issues	582 894	-	582 894	-
Dividend paid	-	-	-97 849	-43 952
Cash flow from financing activities	578 794	-3 324	467 639	235 454
Cash flow for the period	704 456	136 340	396 346	502 097
Cash and cash equivalents at the beginning of the period	246 815	420 946	552 921	52 008
Exchange-rate differences in cash and cash equivalents	201	-4 366	2 204	-1 184
Cash and cash equivalents at the end of the period	951 471	552 921	951 471	552 921

Parent company income statement

TSEK	Note	Q4		Jan-Dec	
		2021	2020	2021	2020
Employee benefit expenses		-7 212	-1 583	-22 273	-8 817
Depreciations and amortisations		-31	-	-41	-
Other operating expenses		-46 012	-8 902	-60 674	-20 810
Operating profit		-53 255	-10 485	-82 988	-29 627
Financial income		3 853	3 648	15 205	18 874
Financial expenses		-192	-223	-256	-355
Net financial items		3 661	3 425	14 949	18 519
Group contributions		44 473	-	44 473	-
Profit before income tax		-5 121	-7 060	-23 566	-11 108
Income tax expense		-	-	-	-
Net result		-5 121	-7 060	-23 566	-11 108
Total comprehensive income		-5 121	-7 060	-23 566	-11 108

Parent company balance sheet

TSEK	Note	31 Dec 2021	31 Dec 2020
ASSETS:			
Right-of-use assets		326	-
Investments in group enterprises		1 149 925	1 149 925
Receivables from group enterprises		1 268 904	747 792
Total non-current assets		2 419 155	1 897 718
Current assets			
Receivables from group enterprises		-	206
Other receivables		986	1 007
Cash and cash equivalents		74 971	41 033
Total current assets		75 957	42 247
TOTAL ASSETS		2 495 112	1 939 964

TSEK		31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES:			
Restricted equity			
Share capital		1 663	1 509
Treasury shares		-6	-
Non-restricted equity			
Share premium		2 654 832	2 062 355
Retained earnings including net profit for the year		-208 868	-128 354
Total equity		2 447 621	1 935 510
Non-current liabilities			
Lease liabilities		209	-
Total non-current liabilities		209	-
Current liabilities			
Trade payables		1 404	407
Trade payables from group companies		994	0
Accrued expenses		44 223	3989
Other current liabilities		661	59
Total current liabilities		47 282	4 454
TOTAL EQUITY AND LIABILITIES		2 495 112	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	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
FINANCIAL ASSETS				
Financial assets at amortised cost				
Trade receivables	197 374	148 214	197 374	148 214
Cash and cash equivalents	951 471	552 921	951 471	552 921
Total financial assets	1 148 845	701 135	1 148 845	701 135
FINANCIAL LIABILITIES				
Financial liabilities at fair value through profit or loss (FVPL)				
Contingent considerations	35 748	9 537	35 748	9 537
Liabilities at amortised cost				
Trade payables	25 670	12 395	25 670	12 395
Non-current borrowing from credit institutions	1 209 642	1 196 087	1 209 642	1 196 087
Total financial liabilities	1 271 060	1 218 019	1 271 060	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	Q4		Jan-Dec	
	2021	2020	2021	2020
Earnings attributable to shareholders	1 483	16 164	84 912	99 903
Weighted average number of ordinary shares	107 676 700	97 670 567	97 862 496	97 670 567
Effect of performance shares	425 347	425 347	425 347	425 347
Weighted average number of ordinary shares adjusted for the effect of dilution	108 102 047	98 095 914	98 287 843	98 095 914
Earnings per share, basic, SEK	0,01	0,17	0,87	1,02
Earnings per share, after dilution, SEK	0,01	0,16	0,86	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	
	Q4		Q4		Q4	
	2021	2020	2021	2020	2021	2020
Online					189 103	155 017
Offline					32 003	33 725
Total net sales	102 526	100 104	118 580	88 638	221 106	188 742
EBITDA	41 402	35 514	1 220	25 307	42 624	60 820
EBITA	35 605	31 009	-3 804	16 572	31 801	47 581
EBIT	19 194	16 765	-29 001	-4 387	-9 806	12 377
Net financial items					6 375	5 883
Revaluation of associated investments					7 920	-
Profit before tax					4 490	18 260
Income tax expenses					-3 466	-2 150
Net result					1 023	16 110

TSEK	Denmark		Sweden/Norway		Total	
	Jan-Dec		Jan-Dec		Jan-Dec	
	2021	2020	2021	2020	2021	2020
Online					727 296	615 319
Offline					150 777	156 096
Total net sales	422 802	419 207	455 270	352 209	878 072	771 416
EBITDA	184 210	176 029	140 700	145 401	324 908	321 431
EBITA	171 929	165 782	105 635	110 173	277 563	275 955
EBIT	109 132	104 527	7 173	26 515	116 305	131 042
Net financial items					-21 072	-10 467
Revaluation of associated investments					7 920	-
Profit before tax					103 152	120 575
Income tax expenses					-18 935	-20 571
Net result					84 217	100 004

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. The performance criteria for the financial year 2021 are not met, hence SEK 12 m have been released from the booked liability and booked in the P/L as a finance income. The plans for 2022 are unchanged which, if met will pay the remaining earn-out 2023.

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 been recognized as of December 31, 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	26 405
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	-7 984
Deferred tax	-4 664
Total identified assets	17 738
Goodwill	18 854
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 been recognized as of December 31, 2021. Revenue, income as well as assets and liabilities belonging to the acquired company are fully consolidated from 4 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	6 791
Fair value of previously held interest	6 530
Option liability	12 799
Total purchase price	26 120

Reported amounts, TSEK	
Cash	806
PPE	6 924
Intangible assets: Technology	10 012
Trade receivables and other receivables	987
Trade payables and other liabilities	-1 001
Deferred tax	-3 257
Total identified assets	14 470
Goodwill	11 650
Total	26 120

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 criterions are met, will be paid in 2025. Karnov Group holds an option to acquire the remaining shares in Ante ApS over the coming years. The option is included in non-current liabilities.

BELLA Intelligence ApS

On 5 November 2021, Karnov Group entered into an agreement to acquire additional 60 percent of the shares issued in BELLA Intelligence ApS attaining full ownership of the company.

The investment was part of Karnov Group's strategy to become a more established player in the legal-tech market. The future journey of BELLA Intelligence requires better access to support and

sales, and the Karnov organisation will play an important role in realising the BELLA Intelligence vision of defining the tech-standards of bankruptcy estate handling.

The financial effects of this transaction have been recognized as of December 31, 2021. Revenue, income as well as assets and liabilities belonging to the acquired company are fully consolidated from 5 November 2021. The purchase price allocation is calculated based on 100% of the shares and is illustrated on the following table.

Purchase price, TSEK	05 Nov 2021
Cash	23 354
Total purchase price	23 354

Reported amounts, TSEK	
Cash	1 967
PPE	9 683
Intangible assets: Technology	7 225
Trade receivables and other receivables	859
Trade payables and other liabilities	-3 845
Deferred tax	-3 534
Total identified assets	12 355
Goodwill	10 999
Total	23 354

Financing

The acquisition of the 60% of the shares was paid by Karnov Group with cash SEK 14 m.

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.

Reconciliations of the alternative performance measures are presented below.

Total net sales	Q4		Jan-Dec	
	2021	2020	2021	2020
TSEK				
Organic business	203 332	191 422	823 734	773 317
Acquired business	18 295	594	66 387	1 531
Currency	-521	-3 274	-12049	-3432
Total net sales	221 106	188 742	878 072	771 416

Total net sales split, %	Q4		Jan-Dec	
	2021	2020	2021	2020
TSEK				
Organic growth, %	7,4%	1,2%	6,7%	2,1%
Acquired growth, %	10,0%	0,3%	8,7%	0,2%
Currency effect, %	-0,3%	-1,7%	-1,6%	-0,5%
Total growth, %	17,1%	-0,2%	13,8%	1,8%

Items affecting comparability	Q4		Jan-Dec	
	2021	2020	2021	2020
TSEK				
M&A related costs	-41 863	-4 165	-49 363	-4 165
Restructuring costs	-	-8 038	-	-8 038
Total	-41 863	-12 203	-49 363	-12 203

Group	Q4		Jan-Dec	
	2021	2020	2021	2020
TSEK				
Net sales	221 106	188 742	878 072	771 416
EBITDA	42 624	60 820	324 908	321 431
EBITDA margin, %	19,3%	32,2%	37,0%	41,7%
Items affecting comparability	41 863	12 203	49 363	12 203
Adjusted EBITDA	84 487	73 023	374 271	333 634
Adjusted EBITDA margin, %	38,2%	38,7%	42,6%	43,2%
Depreciations and amortisations	-10 822	-13 239	-47 345	-45 476
EBITA	31 801	47 581	277 563	275 955
EBITA margin, %	14,4%	25,2%	31,6%	35,8%
Adjusted EBITA	73 664	59 784	326 926	288 158
Adjusted EBITA margin, %	33,3%	31,7%	37,2%	37,4%
Amortisation (acquisitions)	-41 607	-35 203	-161 259	-144 913
EBIT	-9 806	12 377	116 305	131 042

Denmark	Q4		Jan-Dec	
	2021	2020	2021	2020
TSEK				
Net sales	102 526	100 104	422 802	419 207
EBITDA	41 402	35 514	184 210	176 029
EBITDA margin, %	40,4%	35,5%	43,6%	42,0%
Items affecting comparability	-	1 709	-	1 709
Adjusted EBITDA	41 402	37 223	184 210	177 738
Adjusted EBITDA margin, %	40,4%	37,2%	43,6%	42,4%
Depreciations and amortisations	-5 797	-4 504	-12 281	-10 247
EBITA	35 605	31 009	171 929	165 782
EBITA margin, %	34,7%	31,1%	40,7%	39,5%
Adjusted EBITA	35 605	32 718	171 929	167 491
Adjusted EBITA margin, %	34,7%	32,7%	40,7%	40,0%
Amortisation (acquisitions)	-16 411	-14 244	-62 797	-61 255
EBIT	19 194	16 765	109 132	104 527

Sweden/Norway	Q4		Jan-Dec	
	2021	2020	2021	2020
TSEK				
Net sales	118 580	88 638	455 270	352 209
EBITDA	1 220	25 307	140 700	145 401
EBITDA margin, %	1,0%	28,6%	30,9%	41,3%
Items affecting comparability	41 863	10 494	49 363	10 494
Adjusted EBITDA	43 084	35 801	190 062	155 895
Adjusted EBITDA margin, %	36,3%	40,4%	41,7%	44,3%
Depreciations and amortisations	-5 025	-8 735	-35 064	-35 228
EBITA	-3 804	16 572	105 635	110 173
EBITA margin, %	-3,2%	18,7%	23,2%	31,3%
Adjusted EBITA	38 059	27 066	154 998	120 667
Adjusted EBITA margin, %	32,1%	30,5%	34,0%	34%
Amortisation (acquisitions)	-25 196	-20 959	-98 462	-83 659
EBIT	-29 001	-4 387	7 173	26 515

Return on capital

TSEK	31 Dec 2021	31 Dec 2020
EBIT	116 305	131 042
Total assets	4 521 922	3 688 783
Return on capital, %	2,6%	3,6%

Net working capital

TSEK	31 Dec 2021	31 Dec 2020
Current assets	1 185 101	737 134
Current liabilities	837 600	658 012
Net working capital	347 501	79 122

Cash conversion

	Q4		Jan-Dec	
TSEK	2021	2020	2021	2020
Adjusted EBITDA	84 487	73 023	374 271	333 634
Cash flow from operating activities	185 221	162 721	314 159	378 992
Interest paid	2 820	4 699	14 607	19 156
Income tax paid	26 666	27 888	45 306	59 710
Items affecting comparability	41 863	12 203	49 363	12 203
Capex related to new product development	-8 560	-15 699	-37 246	-56 298
Adjusted cash flow from operating activities	248 008	191 811	386 190	413 762
Cash conversion, %	293,5%	262,7%	103,2%	124,0%

Net debt

TSEK	31 Dec 2021	31 Dec 2020
Non-current borrowing from credit institutions	1 209 642	1 196 087
Leasing liabilities, long term	86 916	86 539
Leasing liabilities, short term	12 477	12 842
Cash and cash equivalents	951 471	552 921
Net debt	357 564	742 548

Leverage ratio

TSEK	31 Dec 2021	31 Dec 2020
Adjusted EBITDA LTM	374 271	333 634
Net debt	357 564	742 548
Leverage ratio	1,0	2,2

Quarterly overview

	Q4	Q3	Q2	Q1	Q4
TSEK	2021	2021	2021	2021	2020
Income statement					
Net sales	221 106	222 325	201 121	233 519	188 742
EBITDA	42 624	92 683	82 967	106 635	60 820
EBITDA margin, %	19,3%	41,7%	41,3%	45,7%	32,2%
EBITA	31 801	80 315	70 447	94 996	47 581
EBITA margin, %	14,4%	36,1%	35,0%	40,7%	25,2%
Adjusted EBITA	73 664	87 815	70 447	94 996	59 784
Adjusted EBITA margin, %	33,3%	39,5%	35,0%	40,7%	31,7%
EBIT	-9 806	40 208	28 834	57 062	12 377
EBIT, margin %	-4,4%	18,1%	14,3%	24,4%	6,6%
Net financial items	6 375	-9 048	-7 599	-10 794	5 883
Net result	1 023	23 490	19 985	39 719	16 110
Balance sheet					
Non-current assets	3 336 821	3 278 692	3 305 259	3 365 706	2 951 649
Current assets	1 185 101	350 755	358 521	512 328	737 134
Cash and cash equivalents	951 471	246 815	263 617	360 797	552 921
Equity	2 154 055	1 568 807	1 532 730	1 637 652	1 550 840
Non-current liabilities	1 530 266	1 500 508	1 507 962	1 524 012	1 479 931
Current liabilities	837 600	560 132	623 088	716 370	658 012
Total assets	4 521 922	3 629 447	3 663 780	3 878 034	3 688 783
Cash flow					
Cash flow from operating activities	185 221	-2 904	34 060	97 781	162 720
Cash flow from Investing activities	-59 559	-10 373	-27 607	-287 916	-23 056
Cash flow from financing activities	578 794	-4 813	-102 779	-3 563	-3 324
Cash flow for the period	704 456	-18 089	-96 325	-193 698	136 340
Key ratios					
Net working capital	347 501	-209 377	-264 567	-204 042	79 122
Return on capital, %	-0,2%	1,1%	0,8%	1,5%	0,3%
Equity/asset ratio, %	47,6%	43,2%	41,8%	42,2%	42,0%
Cash conversion, %	293,5%	-4,3%	46,0%	97,8%	262,7%
Net debt	357 564	1 060 666	1 044 156	957 835	742 548
Share data:					
Weighted average number of ordinary shares	107 676 700	97 849 242	97 849 242	97 793 030	97 670 567
Earnings per share, basic, SEK	0,01	0,24	0,21	0,41	0,17
Earnings per share, after dilution, SEK	0,01	0,24	0,20	0,40	0,16

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 31 Dec 2021	Average rate Jan-Dec 2021	Closing rate 31 Dec 2020	Average rate Jan-Dec 2020
1 DKK is equivalent to SEK	1,3753	1,3640	1,3492	1,4070
1 NOK is equivalent to SEK	1,0254	0,9979	0,9546	0,9786
1 EUR is equivalent to SEK	10,2269	10,1449	10,0375	10,4867

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".



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