

Year-end report

January – December 2022

Q4

First large European acquisition completed

Financial highlights fourth quarter

- Organic growth was 10.4% in the quarter. Net sales increased by 66.6% to SEK 368 m (221). Acquired growth contributed with 51.6%. Currency effect was 4.6%.
- The Group's adjusted EBITA amounted to SEK 93 m (74) with adjusted EBITA margin of 25.1% (33.3%). Region North contributed with SEK 83 m (74) and Region South contributed with SEK 10 m.
- Net result amounted to SEK -13 m (1).
- Earnings per share before and after dilution amounted to SEK -0.12 (0.01).
- Adjusted operating cash flow amounted to SEK 261 m (214).

Financial highlights full year

- Organic growth was 9.2% for the full year. Net sales increased by 26.8% to SEK 1,113 m (878). Acquired growth contributed with 14.6%. Currency effect was 3.0%.
- The Group's adjusted EBITA amounted to SEK 364 m (327) with adjusted EBITA margin of 32.7% (37.2%). Region North contributed with SEK 354 m (327) and Region South contributed with SEK 10 m.
- Net result amounted to SEK 60 m (84).
- Earnings per share before and after dilution amounted to SEK 0.56 (0.86).
- Adjusted operating cash flow amounted to SEK 423 m (344).

Business highlights

- Karnov Group has solid organic growth in the fourth quarter, coming from a strong demand for Karnov's services from both existing and new customers. The growing subscription-based sales also generate a strong operating cash flow.
- The acquisition of Region South was completed on 30 November 2022. In December, Region South contributed with net sales of SEK 114 m and an adjusted EBITA of SEK 10 m.
- Karnov Group appointed Magnus Hansson as new CFO. Magnus Hansson will assume the position on 1 June 2023.
- Karnov Group intends to improve the leverage below the financial target of 3.0x EBITDA LTM and invest further in the newly acquired businesses in Region South to harvest synergies. The Board of Directors proposes no dividend for the AGM on 10 May 2023.

Key financial ratios for the Group*

TSEK	Q4			Jan-Dec		
	2022	2021	Δ%	2022	2021	Δ%
Net sales	368,291	221,106	66.6%	1,113,498	878,072	26.8%
Organic growth, %	10.4%	7.4%		9.2%	6.7%	
EBITA	29,297	31,801	-7.9%	254,457	277,563	-8.3%
EBITA margin, %	8.0%	14.4%		22.9%	31.6%	
Adjusted EBITA	92,601	73,664	25.7%	363,766	326,926	11.3%
Adjusted EBITA margin, %	25.1%	33.3%		32.7%	37.2%	
Net result	-12,901	1,023	-1360.6%	59,890	84,217	-28.9%
Adjusted cash flow from operating activities	260,610	213,763	21.9%	423,114	344,446	22.8%

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

Comments by the CEO

”

Karnov Group has now become a strong European player on a market with growing demand for our services. We also capture our opportunities in the Nordics and present strong organic growth of 10.4% in the fourth quarter.

”



Pontus Bodelsson
President and CEO

Karnov Group has ended the year on a strong note, with organic growth solidifying the increased demand for our services. The acquisitions in France, Spain and Portugal were completed at the end of November, transforming Karnov Group from a market leader in the Nordics to a strong European player. This provides exciting business opportunities onwards.

Strong end to the year in Region North

Region North, comprising the Denmark and Sweden/Norway segments, continues to perform well. We grow on all markets and deliver on the increased demand for our services. We continue to add more value to our premium services.

In Sweden, we have started selling the new service ROA (Rättsområdesanalyser) as an add-on feature. The customer feedback is positive. In Denmark, we have made the content from the new public database called "Domsdatabasen" easily accessible for our users.

We continue to grow our market shares within municipalities in both Denmark and Sweden. The customers appreciate our broad content and practical guidance.

In order to strengthen the EHS offering in Denmark, we acquired Nørskov Miljø in January 2023 and immediately started to integrate the business with Notisum Denmark. We are now the largest EHS provider on the Danish market.

DIBkunnskap continues to perform well in Norway and is promoting its IFRS solution on the Swedish market.

Integration of Region South has started

Region South became part of the Karnov Group family at the end of November and we have been greatly welcomed. We have prepared the integration phase in workstreams and initiated the integration immediately after closing. All is progressing in line with expectations and the current focus is ensuring continued customer centricity. We are merging the two companies in Spain and are preparing for a common product portfolio. We will have one tech platform in Region South also including our French company Lamy Liaisons.

As previously announced, we intend to harvest cost synergies of EUR 7.5 m with full effect at the end of 2024, and synergies of an additional EUR 2.5 m with full effect at the end of 2026. Costs to achieve the synergies are estimated to amount to EUR 24 m. The merger will also create opportunities for even stronger offerings on the local markets, combining the best of the local businesses.

Financials in line with expectations

Organic growth was 10.4% in the quarter. Net sales growth was 66.6% including acquired growth from Region South, which was consolidated at the end of November. Drivers in Region North during the fourth quarter were a combination of upselling to existing customers and sales to new customers within municipalities, EHS and the public sector. Our customers have a strong demand for our services, and we will continue enhancing the value of our services to the benefit of our customers.

Adjusted EBITA was SEK 93 m in the fourth quarter, whereof SEK 10 m from Region South, and the adjusted EBITA margin was 32.5% in Region North and 25.1% in Karnov Group.

At the end of December, our leverage based on proforma EBITDA LTM was 3.6x.

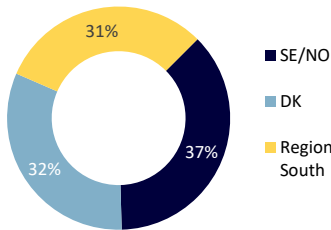
Karnov Group intends to improve the leverage below the financial target of 3.0x EBITDA LTM and invest further in the newly acquired businesses in Region South to harvest synergies. The Board of Directors proposes no dividend for the AGM on 10 May 2023.

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.

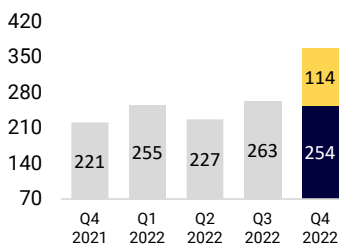
Group financial performance

Net sales by segment fourth quarter (%)

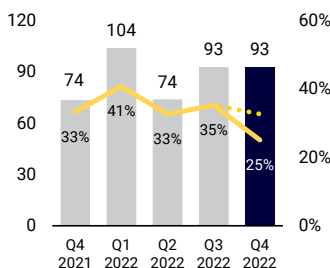


10%
Organic growth

Net sales per quarter, SEKm



Adjusted EBITA, SEKm and margin, % per quarter



Fourth quarter and full-year period

TSEK	Q4			Jan-Dec		
	2022	2021	Δ%	2022	2021	Δ%
Net sales	368,291	221,106	66.6%	1,113,498	878,072	26.8%
Organic growth, %	10.4%	7.4%		9.2%	6.7%	
EBITA	29,297	31,801	-7.9%	254,457	277,563	-8.3%
EBITA margin, %	8.0%	14.4%		22.9%	31.6%	
Adjusted EBITA	92,601	73,664	25.7%	363,766	326,926	11.3%
Adjusted EBITA margin, %	25.1%	33.3%		32.7%	37.2%	

Net sales and growth

For the three-month period, October-December 2022, net sales increased by SEK 147 m to SEK 368 m (221). Organic growth on a constant currency basis was 10.4 percent and currency effects had a positive impact on net sales of 4.6 percent. Acquired growth accounted for 51.6 percent and relates to the acquisition of Region South, which was completed on 30 November 2022.

In the fourth quarter, we have successfully grown in Region North, with both Denmark and Sweden/Norway growing stronger than the underlying market trend. We have been able to sell more online licenses to our existing customers, as a broader customer group are using our services. Further, we have sold online licenses to new customers within the public sector, municipalities and EHS. Offline sales were strong in the fourth quarter, with sales of school publications having a positive impact also in the fourth quarter.

Region South delivered net sales in line with expectations, only contributing with one month of financial performance in the quarter, as the acquisition was completed at the end of November.

For the full year, net sales increased by SEK 235 m to SEK 1,113 m (878). Organic growth on a constant currency basis was 9.2 percent, acquired growth accounted for 14.6 percent and currency effects had a positive impact on net sales of 3.0 percent.

Operating profit

EBITA for the quarter amounted to SEK 29 m (32) and EBITA margin amounted to 8.0 percent (14.4). The EBITA performance includes items affecting comparability of SEK 63 m (42) related to the completion of the acquisition of Region South.

Adjusted EBITA amounted to SEK 93 m (74) and adjusted EBITA margin amounted to 25.1 percent (33.3). The decrease in margin is related to costs for the European expansion and projects for future customer value, including external expenses for organisational development as well as higher personnel expenses.

Adjusted EBITA for Region North was SEK 83 m (74) and adjusted EBITA margin amounted to 32.5 percent (33.3).

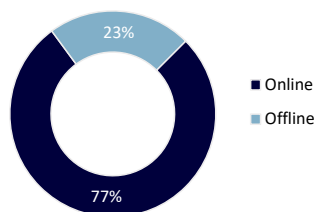
Adjusted EBITA for Region South was SEK 10 m and adjusted EBITA margin amounted to 8.9 percent.

Operating profit (EBIT) was SEK -21 m (-10) for the quarter.

For the full year, EBITA amounted to SEK 254 m (278) and the EBITA margin amounted to 22.9 percent (31.6). Adjusted EBITA was SEK 364 m (327) and the adjusted EBITA margin amounted to 32.7 percent (37.2).

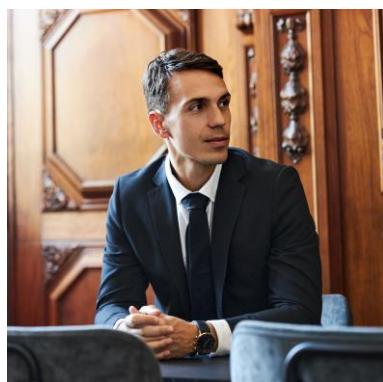
Operating profit (EBIT) was SEK 79 m (116) for the full year. Adjusted for items affecting comparability, operating profit (EBIT) would have been SEK 188 m (165).

Net sales split per fourth quarter, %



33%

Adjusted EBITA margin
Region North



236%

Cash
conversion

Net financial items

Net financial items for the quarter amounted to SEK -17 m (6). The increased financial costs mainly relate to currency effects. Currency effect for the quarter was SEK -8 m (-3), relating to long-term loans in DKK and cash in EUR.

Net financial items for the full year amounted to SEK -17 m (-21). Currency effect for the full year was SEK -11 m (-16).

Result of participation in associated companies

Result of participation in associated companies amounted to SEK -3 m (8) in the quarter and SEK -12 m (8) for the full year.

Profit before and after tax, Earnings per share

Profit before tax for the quarter decreased by SEK 46 m to SEK -42 m (4).

Profit after tax for the quarter was SEK -13 m (1). Taxes amounted to SEK 29 m (-3), due to utilised tax losses in Region North.

Profit before tax for the full year decreased by SEK 53 m to SEK 50 m (103), mainly due to items affecting comparability of SEK 109 m (49). Profit after tax for the full year was SEK 60 m (84). Taxes for the full year amounted to SEK 10 m (-19) due to the above-mentioned utilisation of not capitalized losses from previous years.

Earnings per share after dilution was SEK -0.12 (0.01) for the quarter and SEK 0.56 (0.86) for the full year.

Cash flow and investments

Cash flow from operating activities decreased by SEK 15 m and amounted to SEK 170 m (185) in the fourth quarter. The decrease is due to timing of payments effecting payables, as well as increased financial expenses and a timing effect of tax payments.

Total investments for the quarter amounted to SEK -1,663 m (-60). The investments during the quarter mainly relate to the acquisition of Region South. Total investments for the full year amounted to SEK -1,740 m (-385).

Total financing for the quarter amounted to SEK 1,185 m (579). Total financing for the full year amounted to SEK 1,152 m (468).

The cash conversion rate for the quarter amounted to 236.4 percent (253.0) and 100.3 percent (92.0) for the full year.

The calculation of adjusted cash flow from operating activities was adjusted in the first quarter 2022 to only include the cash effect of items affecting comparability in the period. The adjustment has been updated in comparable periods for 2021.

Cash conversion TSEK	Q4		Jan-Dec	
	2022	2021	2022	2021
Adjusted EBITDA	110,247	84,487	421,967	374,271
Adjusted cash flow from operating activities	260,610	213,763	423,114	344,446
Cash conversion, %	236.4%	253.0%	100.3%	92.0%



Financial position

Net debt was SEK 2,079 m (358) at the end of the period. The net debt has increased by SEK 1,193 m relating to long-term borrowings for financing of the acquisition of Region South.

The leverage at the end of the period, based on proforma adjusted EBITDA LTM, was 3.6 (1.0) times and the equity ratio was 31.1 percent (47.6) with an equity of SEK 2,326 m (2,154).

Net Debt	Q4	
	2022	2021
TSEK		
Total borrowings	2,750,224	1,309,035
Cash and cash equivalents	671,199	951,471
Net debt	2,079,024	357,564
Leverage ratio	3.6	1.0
Equity	2,326,383	2,154,055
Equity/asset ratio, %	31.2%	47.6%

Cash and cash equivalents at the end of the period amounted to SEK 671 m (951) and the Group had unutilised credit lines of SEK 198 m (236).

3.6

Leverage

Significant events

Fourth quarter

- Karnov Group completed the acquisition of carved out legal information businesses from Thomson Reuters in Spain and Wolters Kluwer in France, Spain and Portugal. The entities were consolidated in the Group's financial statements on 30 November 2022.
- Karnov Group appointed Jan Ullerup as Group CTO. Jan Ullerup was previously Interim Group CTO at Karnov Group.
- Karnov Group appointed Magnus Hansson as new CFO. Former CFO Jonas Olin has resolved to step down due to health reasons. Magnus Hansson will assume the position on 1 June 2023. Leif Mårtensson will be the interim CFO until Magnus Hansson commences.

Events after the end of the period

- Karnov Group acquired Nørskov Miljø ApS, a leading Danish EHS provider of a SaaS platform and consultancy for EHS legal and chemical compliance. The company was consolidated in the Group financials on 3 January 2023.
- Karnov Group intends to improve the leverage below the financial target of 3.0x EBITDA LTM and invest further in the newly acquired businesses in Region South to harvest synergies. The Board of Directors proposes no dividend for the AGM on 10 May 2023.

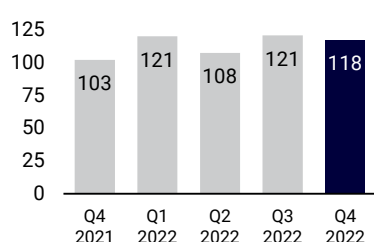
Segment performance

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.

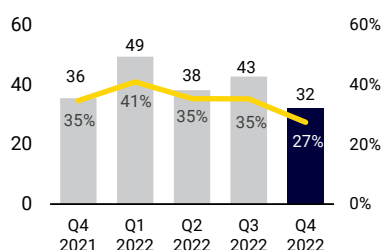
Denmark

TSEK	Q4			Jan-Dec		
	2022	2021	Δ%	2022	2021	Δ%
Net sales	117,674	102,526	14.8%	467,315	422,802	10.5%
Organic growth, %	6.0%	3.1%		4.6%	3.8%	
Adjusted EBITA	32,318	35,605	-9.2%	162,851	171,929	-5.3%
Adjusted EBITA margin, %	27.5%	34.7%		34.8%	40.7%	

Net sales per quarter, SEKm



Adjusted EBITA, SEKm and margin, % per quarter



Net sales and growth

Net sales for the quarter increased by 14.8 percent to SEK 118 m (103). The organic growth for the quarter was 6.0 percent and currency effects had a positive impact of 8.8 percent. The organic growth is driven by online sales.

In the fourth quarter, we have onboarded additional municipalities using our solution. The customers appreciate the broad content and practical guidance.

We have also made the content from the public Domsdatabasen easily accessible for our users on our legal research platform.

For the full year, net sales increased by SEK 44 m to SEK 467 m (423). Organic growth on a constant currency basis was 4.6 percent, acquired growth accounted for 0.9 percent and currency effects had a positive impact on net sales of 5.0 percent.

Operating profit

In the fourth quarter, adjusted EBITA amounted to SEK 32 m (36) and adjusted EBITA margin amounted to 27.5 percent (34.7). During the fourth quarter, the Danish segment had additional operational expenses of SEK 7 m relating to organisational development preparing for the European expansion. This follows the decision to optimise the business in collaboration with third parties. In addition, personnel expenses increased compared to the previous year.

For the full year, adjusted EBITA amounted to SEK 163 m (172) and adjusted EBITA margin amounted to 34.8 percent (40.7). The decrease in margin is due to our invested resources in preparing for European expansion as well as our acquisition and consolidation of legal tech start-ups, which are in a scale up phase. For the full year 2022, the Danish segment had additional operational expenses of SEK 16 m relating to organisational development preparing for the European expansion.



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, DIBkunnskap and Echoline.

Sweden/Norway

TSEK	Q4			Jan-Dec		
	2022	2021	Δ%	2022	2021	Δ%
Net sales	136,422	118,580	15.0%	531,989	455,270	16.9%
Organic growth, %	14.1%	12.2%		13.4%	10.1%	
Adjusted EBITA	50,154	38,059	31.8%	190,787	154,998	23.1%
Adjusted EBITA margin, %	36.8%	32.1%		35.9%	34.0%	

Net sales and growth

Net sales for the quarter increased by 15.0 percent to SEK 136 m (119). Organic growth was 14.1 percent and currency effect had a positive impact of 0.9 percent.

Karnov continues to grow well within online-based services, especially in the public sector, municipalities and EHS. The new product, "Rättsområdesanalyser" (ROA), has now started to be sold as an add-on feature on the JUNO platform with positive feedback from customers.

Our EHS businesses in Sweden and France continues to grow well, with a growing customer base due to an increased market demand for our services.

Offline sales were strong in the fourth quarter, with school publications having a minor positive impact of SEK 3 m also in the fourth quarter.

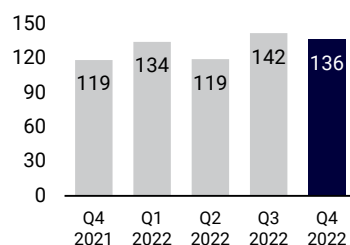
For the full year, net sales increased by SEK 77 m to SEK 532 m (455). Organic growth on a constant currency basis was 13.4 percent, acquired growth accounted for 2.5 percent and currency effects had a positive impact on net sales of 1.0 percent.

Operating profit

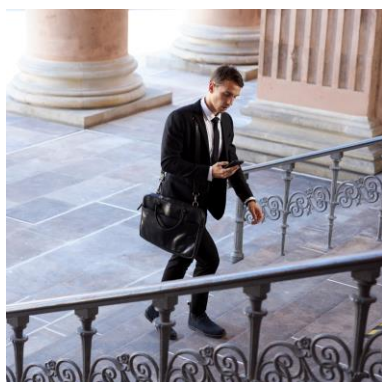
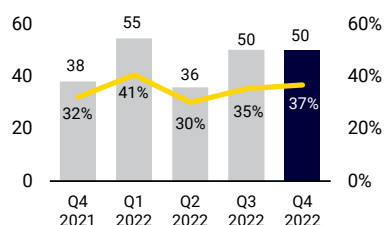
In the fourth quarter, adjusted EBITA amounted to SEK 50 m (38) and adjusted EBITA margin was 36.8 percent (32.1). The adjusted EBITA improvement of SEK 12 m is mainly the result of higher sales and good cost control.

For the full year, adjusted EBITA amounted to SEK 191 m (155) and adjusted EBITA margin was 35.9 percent (34.0) driven by the increase in net sales.

Net sales per quarter, SEKm



Adjusted EBITA, SEKm and margin, % per quarter



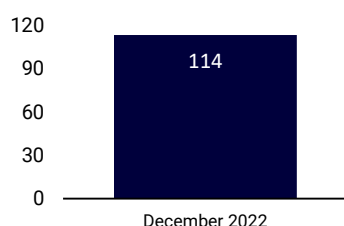
Segment performance (cont.)

Region South offers a wide range of online and offline solutions for legal professionals, assisting them in their research and providing qualitative advisory services. Region South also offers legal classroom training and e-courses. The segment includes Aranzadi LA LEY, Lamy Liaisons and Jusnet.

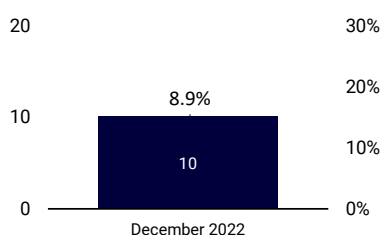
Region South

TSEK	December 2022
Net sales	114,195
Organic growth, %	-
Adjusted EBITA	10,129
Adjusted EBITA margin, %	8.9%

Net sales December, SEKm



Adjusted EBITA, SEKm and margin, % per December



Net sales and growth

Net sales for December amounted to SEK 114 m, all of which was acquired growth.

Since the consolidation, Karnov Group has initiated the integration phase and all progress according to expectations. The intention is to develop the local companies further, harvest revenue synergies over time by cross selling, enhance the customer offering and bring a better offering to both the French and Spanish market.

For the full year, Region South had proforma net sales of SEK 1,286 million. The sales development was in line with expectations, which was a stable sales development excluding currency effects. The proforma figures have not been audited and are solely disclosed with the purpose to describe the financials of Region South for the full year.

Operating profit

Adjusted EBITA in December was SEK 10 m and adjusted EBITA margin was 8.9 percent.

For the full year, Region South had proforma adjusted EBITA of SEK 94 m. The proforma adjusted EBITA for the full year has decreased slightly compared to 2021 due to increased depreciations of capitalised development, mainly in Spain.

Karnov Group intends, as previously announced, to harvest synergies of EUR 7.5 m the coming 24 months, and an additional EUR 2.5 m the following 24 months. The synergies are mainly intended to be harvested through central functions, harmonization of IT and content platforms as well as within administration, including sales, marketing and back-office.



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 Covid-19 pandemic is still having an impact on global society however to a less extent than previous years. Karnov is still following the situation and unless the impact of the pandemic should change negatively Karnov assess only insignificant impact on the future financial performance.

The invasion of Ukraine poses risks for further impact on the world economy, with increasing cost inflation and disruptions to supply chains. Karnov is not directly impacted by the invasion and has no direct exposure towards any of the involved countries.

Karnov's significant risks and risk management are described on page 55-56 of the 2021 Annual report, available at the Company's website www.karnovgroup.com.

Seasonal variations

Typically, a significant proportion of Karnov Group's online contracts are 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 622 (296). The increase is mainly due to the acquisition of Region South. On average during the fourth quarter, 46% (52%) of the workforce were males and 54% (48%) females.

Annual General Meeting (AGM)

The AGM for 2023 will be held on 10 May 2023 in Stockholm. Time will be announced in connection with the notice of the AGM.

Annual Report

The 2022 Annual Report, Sustainability Report and Corporate Governance Report is planned to be published on 31 March 2023. The report will be available on the company's website www.karnovgroup.com, and kept available in the company's office.

Proposed dividend

Karnov Group intends to improve the leverage below the financial target of 3.0x EBITDA LTM and invest further in the newly acquired businesses in Region South to harvest synergies. The Board of Directors proposes no dividend for the AGM on 10 May 2023.

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 31 December 2022, the total number of shares and votes in Karnov Group AB (publ) amounts to 108,102,047 shares and 107,872,208.6 votes. Each share has a quotient value of approximately SEK 0.015385. The total number of shares consists of 107,846,671 ordinary shares, which carry one vote per share, and

255,376 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 2022, the Company had 1,504 known shareholders. The five largest shareholders in Karnov Group AB (publ) were Swedbank Robur Funds, Carnegie Funds, Invesco, Didner & Gerge Funds and Long Path Partners.

Incentive programs

Karnov Group has implemented 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.

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.

A total of 151 employees chose to participate in LTIP 2019, and in April 2022, the vesting period for the long-term incentive program LTIP 2019 was completed. A total of 169,971 performance shares were thereby converted from shares of series C to ordinary shares and were distributed to the participants in June 2022. The number of ordinary shares has thus increased by 169,971 shares and the number of shares of series C has decreased by the same number of shares. The number of votes has increased by 152,973.9 votes.

Karnov has also implemented the long-term incentive program LTIP 2020. The participants have allocated a total of 9,302 savings shares to the program. Full allotment would mean that the total number of shares under the program will amount to no more than 46,510 ordinary shares, corresponding to less than 0.1 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 2022 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 (publ).

Parent Company

The Operating profit (EBIT) for the quarter amounted to SEK 83 m (-53) from re-invoicing of acquisition costs (items affecting comparability) to Region South and charging of group service costs to group companies. Both items are included in Other operating income and expenses, which are eliminated on Group level and do not have an actual effect on the performance of the parent company.

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 year-end 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 15 February 2023 at 8.00 am CET.

Karnov Group AB (publ)

Stockholm, 15 February 2023

Pontus Bodelsson
President and CEO

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Q4 presentation webcast

Karnov Group will present the fourth quarter for analysts and investors via a webcast teleconference on 15 February at 09.00 am CET.

To participate, use the following link:
<https://ir.financialhearings.com/karnov-group-q4-2022>
or register here for dial-in numbers:
<https://conference.financialhearings.com/tel-conference/?id=5007617>.

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

Financial calendar 2023

Annual Report 2022
31 March 2023

Interim report January-March 2023
9 May 2023

Annual General Meeting 2023
10 May 2023

Half-year report January-June 2023
17 August, 2023

Interim report January-September 2023
8 November 2023

Consolidated income statement of comprehensive income

TSEK	Note	Q4		Jan-Dec	
		2022	2021	2022	2021
Net sales	5	368,291	221,106	1,113,498	878,072
Total revenue		368,291	221,106	1,113,498	878,072
Goods for resale		-49,587	-37,746	-157,874	-138,722
Employee benefit expenses		-161,369	-73,801	-400,510	-279,934
Depreciations and amortisations		-68,413	-52,429	-233,816	-208,604
Other operating income and expenses		-110,392	-66,936	-242,457	-134,507
Operating profit (EBIT)		-21,470	-9,806	78,842	116,305
Financial income		243	14,930	23,226	15,311
Financial expenses		-17,683	-8,554	-40,345	-36,384
Net financial items		-17,440	6,375	-17,119	-21,072
Result of participation in associated companies		-3,386	7,920	-11,691	7,920
Profit before income tax		-42,295	4,490	50,032	103,152
Income tax expense		29,395	-3,466	9,858	-18,935
Net result		-12,901	1,023	59,890	84,217
Other comprehensive income:					
Items that may be reclassified to the income statement:					
Exchange differences on translation of foreign operations		59,810	4,137	111,044	25,655
Items that will not subsequently be reclassified to the income statement:					
Actuarial gains/losses on defined benefit plans		159	0	159	0
Other comprehensive income for the period		59,969	4,137	111,202	25,655
Total comprehensive income for the period		47,068	5,160	171,092	109,872
Profit for the period is attributable to:					
Owners of Karnov Group AB (publ)		-12,908	1,483	59,896	84,912
Non-controlling interests		7	-460	-6	-695
Net result		-12,901	1,023	59,890	84,217
Total comprehensive income for the period is attributable to:					
Owners of Karnov Group AB (publ)		47,061	5,618	171,078	110,565
Non-controlling interests		7	-458	14	-693
Total comprehensive income		47,068	5,160	171,092	109,872
Earnings per share, basic, SEK	4	-0.12	0.01	0.56	0.87
Earnings per share, after dilution, SEK	4	-0.12	0.01	0.56	0.86

For further information and details on earnings per share please refer to note 7.

Consolidated balance sheet

TSEK	Note	31 Dec 2022	31 Dec 2021
ASSETS:			
Non-current assets			
Goodwill		3,249,601	1,911,944
Other intangible assets		2,390,973	1,242,376
Right-of-use assets		236,720	96,018
Property, plant and equipment		45,381	6,170
Investments in associated companies		54,254	62,224
Loans to associated companies		25,707	15,319
Deposits		12,390	2,771
Deferred tax assets		122,503	-
Total non-current assets		6,137,529	3,336,821
Current assets			
Inventories		20,485	11,667
Trade receivables	3	530,595	197,374
Prepaid expenses		46,213	13,267
Other receivables		6,315	1,127
Tax receivables		39,390	10,195
Cash and cash equivalents	3	671,199	951,471
Total current assets		1,314,200	1,185,101
TOTAL ASSETS		7,451,727	4,521,922
LIABILITIES AND EQUITY:			
Equity			
Capital and reserves attributable to equity holders of the company			
Share capital		1,663	1,663
Share premium		2,654,031	2,654,839
Treasury shares		-3	-6
Reserves		-226,840	-338,022
Retained earnings including net profit for the period		-109,016	-170,953
Total equity attributable to the parent company's shareholders		2,319,836	2,147,521
Non-controlling interests		6,547	6,533
Total equity		2,326,383	2,154,055
Liabilities			
Borrowing from credit institutions	3	2,483,260	1,209,642
Lease liabilities		214,442	86,916
Deferred tax liability		413,073	164,403
Provisions		60,612	5,754
Other non-current liabilities		88,204	63,551
Total non-current liabilities		3,259,592	1,530,266
Trade payables	3	137,612	25,670
Current tax liabilities		20,548	12,917
Accrued expenses		498,710	172,404
Prepaid income		1,027,980	519,857
Lease liabilities		52,522	12,477
Other current liabilities	3	128,382	94,276
Total current liabilities		1,865,754	837,600
TOTAL EQUITY AND LIABILITIES		7,451,727	4,521,922

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 interests	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	-	-	-	-	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:									
Dividend paid	-	-	-	-	-97,849	-97,849	-	-97,849	
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	
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	

TSEK	Equity attributable to the parent company's shareholders						Equity attributable to the parent company's shareholders	Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Reserves	Retained earnings				
Balance at January 1, 2022	1,663	2,654,839	-6	-338,022	-170,953	2,147,521	6,533	2,154,054	
Net result	-	-	-	-	59,896	59,896	-6	59,890	
Other comprehensive income for the period	-	-	-	111,182	-	111,182	20	111,202	
Total comprehensive income/loss	-	-	-	111,182	59,896	171,078	14	171,092	
Transaction with shareholders in their capacity as owners:									
Issue of ordinary shares*	-	-805	-	-	-	-805	-	-805	
Sharebased payment	-	-3	3	-	2,041	2,041	-	2,041	
Total transaction with shareholders	-	-808	3	-	2,041	1,236	-	1,236	
Closing balance at December 31, 2022	1,663	2,654,031	-3	-226,840	-109,016	2,319,836	6,547	2,326,382	

* The decrease in share premium is explained by extra costs related to the issue of shares made in 2021.

Consolidated statement of cash flows

TSEK	Q4		Jan-Dec	
	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating profit	-21,470	-9,806	78,842	116,305
Non-cash items	77,980	49,796	242,904	207,990
Effect of changes in working capital:				
Change in inventories	-860	1,756	-2,544	-1,655
Change in receivables	-114,854	-135,652	-15,676	-40,628
Change in trade payables and other payables	39,891	103,397	-14,895	41,151
Increase/decrease in prepaid income	238,324	205,214	80,441	50,911
Net financial items, paid	-5,215	-2,820	-24,055	-14,607
Income tax paid	-43,975	-26,666	-69,067	-45,306
Net effect of changes in working capital	113,312	145,230	-45,796	-10,133
Cash flow from operating activities	169,822	185,221	275,950	314,161
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of subsidiaries	-1,634,662	-40,148	-1,635,102	-307,830
Acquisition of participations in associated companies	-	477	-2,942	403
Loan to associated companies	-	-	-8,578	-14,673
Acquisition of intangible assets	-25,389	-19,635	-89,189	-61,943
Acquisition of property, plant and equipment	-2,787	-253	-3,881	-1,411
Cash flow from investing activities	-1,662,838	-59,559	-1,739,692	-385,454
CASH FLOWS FROM FINANCING ACTIVITIES				
Change in borrowings	1,192,726	-	1,192,726	-
Change in lease liabilities	-9,568	-4,100	-32,843	-17,406
Change in long-term receivables	2,136	-	1,274	-
Proceeds from share issues	-	582,894	-800	582,894
Dividend paid	-	-	-	-97,849
Payment of contingent considerations	-	-	-8,129	-
Cash flow from financing activities	1,185,294	578,794	1,152,228	467,639
Cash flow for the period	-307,722	704,456	-311,514	396,346
Cash and cash equivalents at the beginning of the period	976,450	246,815	951,471	552,921
Exchange-rate differences in cash and cash equivalents	2,471	201	31,242	2,204
Cash and cash equivalents at the end of the period	671,199	951,471	671,199	951,471

Parent company statement of comprehensive income

TSEK	Q4		Jan-Dec	
	2022	2021	2022	2021
Employee benefit expenses	-13,265	-7,212	-43,010	-22,273
Depreciations and amortisations	-23	-31	-106	-41
Other operating income and expenses	96,194	-46,012	43,760	-60,674
Operating profit (EBIT)	82,906	-53,255	644	-82,988
Financial income	7,389	3,853	25,966	15,205
Financial expenses	-8,978	-192	-10,454	-256
Net financial items	-1,589	3,661	15,512	14,949
Group contributions	9,160	44,473	9,160	44,473
Profit before income tax	90,476	-5,121	25,316	-23,566
Income tax expense	-12,870	-	-2,231	-
Net result	77,607	-5,121	23,085	-23,566
Total comprehensive income	77,607	-5,121	23,085	-23,566

Parent company balance sheet

TSEK	31 Dec 2022	31 Dec 2021
ASSETS:		
Receivables from group companies	1,181,938	1,268,904
Investments in group companies	1,158,096	1,149,925
Right-of-use assets	156	326
Total non-current assets	2,340,191	2,419,155
Current assets		
Receivables from group companies	156,562	-
Other receivables	461	986
Current tax receivable	1,435	-
Cash and cash equivalents	11,498	74,971
Total current assets	169,955	75,957
TOTAL ASSETS	2,510,146	2,495,112
TSEK	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES:		
Restricted equity		
Share capital	1,663	1,663
Treasury shares	-3	-6
Non-restricted equity		
Share premium	2,654,031	2,654,832
Retained earnings including net profit for the year	-177,643	-208,868
Total equity	2,478,049	2,447,621
Non-current liabilities		
Lease liabilities	64	209
Total non-current liabilities	64	209
Current liabilities		
Trade payables	4,620	1,404
Trade payables from group companies	14,501	994
Accrued expenses	6,579	44,223
Other current liabilities	6,334	660
Total current liabilities	32,034	47,282
TOTAL EQUITY AND LIABILITIES	2,510,146	2,495,112

Notes

Note 1. Accounting policies

The consolidated interim financial statements for Karnov Group 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 2022 are the same as the accounting policies used for the annual report 2021 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 2021 Note 4, page 75, for further details regarding critical estimates and judgements.

Note 3. Fair value of financial instruments

TSEK	Carrying amount		Fair value	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
FINANCIAL ASSETS				
Financial assets at amortised cost				
Trade receivables	530,595	197,374	530,595	197,374
Cash and cash equivalents	671,199	951,471	671,199	951,471
Total financial assets	1,201,795	1,148,845	1,201,795	1,148,845
FINANCIAL LIABILITIES				
Financial liabilities at fair value through profit or loss (FVPL)				
Contingent considerations	29,902	35,748	29,902	35,748
Liabilities at amortised cost				
Trade payables	137,612	25,670	137,612	25,670
Non-current borrowing from credit institutions	2,483,260	1,209,642	2,483,260	1,209,642
Total financial liabilities	2,650,774	1,271,060	2,650,774	1,271,060

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 presented as the fair value. The fair value of the contingent considerations is 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.

Other

There have been no significant new items compared to December 31, 2021. No transfers between the levels of fair value hierarchies have taken place in 2022.

Note 4. Earnings per share

TSEK	Q4		Jan-Dec	
	2022	2021	2022	2021
Earnings attributable to shareholders	-12,908	1,483	59,896	84,912
Weighted average number of ordinary shares	107,846,671	107,676,700	107,776,628	97,862,496
Effect of performance shares	46,510	425,347	46,510	425,347
Weighted average number of ordinary shares adjusted for the effect of dilution	108,102,047	108,102,047	108,102,047	98,287,843
Earnings per share, basic, SEK	-0.12	0.01	0.56	0.87
Earnings per share, after dilution, SEK	-0.12	0.01	0.56	0.86

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		Region South		Total	
	Q4		Q4		Dec		Q4	
	2022	2021	2022	2021	2022	2021	2022	2021
Online							285,051	189,103
Offline							83,240	32,003
Total net sales	117,674	102,526	136,422	118,580	114,195	-	368,291	221,106
EBITDA	36,536	41,402	92,588	1,220	-82,182	-	46,942	42,624
EBITA	32,318	35,605	82,823	-3,804	-85,844	-	29,297	31,801
Adjusted EBITA	32,318	35,605	50,154	38,059	10,129	-	92,601	73,664
EBIT	961	19,194	72,660	-29,000	-95,092	-	-21,470	-9,806
Net financial items							-17,440	6,375
Result of participation in associated companies							-3,385	7,920
Profit before tax							-42,295	4,490
Income tax expense							29,395	-3,466
Net result							-12,901	1,023

TSEK	Denmark		Sweden/Norway		Region South		Total	
	Jan-Dec		Jan-Dec		Dec		Jan-Dec	
	2022	2021	2022	2021	2022	2021	2022	2021
Online							888,191	727,296
Offline							225,307	150,777
Total net sales	467,315	422,802	531,989	455,270	114,195	-	1,113,498	878,072
EBITDA	178,712	184,210	216,129	140,700	-82,182	-	312,658	324,908
EBITA	162,851	171,929	177,451	105,635	-85,844	-	254,457	277,563
Adjusted EBITA	162,851	171,929	190,787	154,998	10,129	-	363,766	326,926
EBIT	82,767	109,132	91,168	7,173	-95,092	-	78,842	116,305
Net financial items							-17,119	-21,072
Result of participation in associated companies							-11,691	7,920
Profit before tax							50,032	103,152
Income tax expenses							9,858	-18,935
Net result							59,890	84,217

Note 6. Business combinations and similar transactions

Region South

On 30 November 2022, Karnov Group completed the acquisition of carved out legal information-based businesses of both Thomson Reuters in Spain and Wolters Kluwer in Spain, France and Portugal (together "Region South") and assumed full ownership of the local entities. The financial effects of Region South transaction have been recognized as of December 31, 2022. Revenue, income as well as assets and liabilities belonging to the acquired entities are fully consolidated from 30 November 2022 in the Group's financial statements.

Financing

The cash to acquire was SEK 1,770 m. Cash in the acquired businesses totaled SEK 135 m resulting in a net cash flow of -1,635 m. This was partly financed by loans of SEK 1,193 m and cash on hand of SEK 442 m.

Nørskov Miljø Aps

On 3rd January 2023, Karnov Group acquired Nørskov Miljø Aps for a cash consideration of SEK 8.7 m. Purchase price allocation is currently being prepared.

Purchase price, TSEK	30 Nov 2022
Cash on closing date	1,769,567
Cash acquired	-134,905
Total purchase price	1,634,662
Reported amounts, TSEK	
Intangible assets: Customer relations	225,088
Intangible assets: Technology	314,235
Intangible assets: Content	661,611
Tangible assets	177,606
Inventories	6,619
Trade receivables and other receivables	370,766
Loans and borrowings	-3,306
Trade payables and other liabilities	-364,030
Accrued expenses and prepaid income	-782,614
Deferred tax	-178,664
Total identified assets	427,311
Goodwill	1,207,351
Total	1,634,662

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	
	2022	2021	2022	2021
TSEK				
Organic business	244,042	203,332	958,790	823,734
Acquired business	114,195	18,295	128,674	66,387
Currency	10,054	-521	26,034	-12,049
Total net sales	368,291	221,106	1,113,498	878,072

Total net sales split, %	Q4		Jan-Dec	
	2022	2021	2022	2021
Organic growth, %	10.4%	7.4%	9.2%	6.7%
Acquired growth, %	51.6%	10.0%	14.6%	8.7%
Currency effect, %	4.6%	-0.3%	3.0%	-1.6%
Total growth, %	66.6%	17.1%	26.8%	13.8%

Group	Q4		Jan-Dec	
	2022	2021	2022	2021
TSEK				
Net sales	368,291	221,106	1,113,498	878,072
EBITDA	46,942	42,624	312,658	324,908
EBITDA margin, %	12.7%	19.3%	28.1%	37.0%
Items affecting comparability	-63,304	-41,863	-109,309	-49,363
Adjusted EBITDA	110,247	84,488	421,967	374,271
Adjusted EBITDA margin, %	29.9%	38.2%	37.9%	42.6%
Depreciations and amortisations	-17,645	-10,822	-58,201	-47,345
EBITA	29,297	31,801	254,457	277,563
EBITA margin, %	8.0%	14.4%	22.9%	31.6%
Adjusted EBITA	92,601	73,664	363,766	326,926
Adjusted EBITA margin, %	25.1%	33.3%	32.7%	37.2%
Amortisation (acquisitions)	-50,768	-41,607	-175,616	-161,259
EBIT	-21,470	-9,806	78,842	116,305
EBIT margin, %	-5.8%	-4.4%	7.1%	13.2%

Items affecting comparability	Q4		Jan-Dec	
	2022	2021	2022	2021
TSEK				
Acquisition and post-closing integration cost	-63,304	-41,863	-109,309	-49,363
Total	-63,304	-41,863	-109,309	-49,363

Denmark	Q4		Jan-Dec	
	2022	2021	2022	2021
TSEK				
Net sales	117,674	102,526	467,315	422,802
EBITDA	36,536	41,402	178,712	184,210
EBITDA margin, %	31.0%	40.4%	38.2%	43.6%
Items affecting comparability	-	-	-	-
Adjusted EBITDA	36,536	41,402	178,712	184,210
Adjusted EBITDA margin, %	31.0%	40.4%	38.2%	43.6%
Depreciations and amortisations	-4,218	-5,797	-15,861	-12,281
EBITA	32,318	35,605	162,851	171,929
EBITA margin, %	27.5%	34.7%	34.8%	40.7%
Adjusted EBITA	32,318	35,605	162,851	171,929
Adjusted EBITA margin, %	27.5%	34.7%	34.8%	40.7%
Amortisation (acquisitions)	-31,357	-16,411	-80,084	-62,797
EBIT	961	19,194	82,767	109,132
EBIT margin, %	0.8%	18.7%	17.7%	25.8%
Sweden/Norway				
TSEK				
Net sales	136,422	118,580	531,989	455,270
EBITDA	92,588	1,220	216,129	140,699
EBITDA margin, %	67.9%	1.0%	40.6%	30.9%
Items affecting comparability	32,669	-41,863	-13,336	-49,363
Adjusted EBITDA	59,920	43,084	229,465	190,062
Adjusted EBITDA margin, %	43.9%	36.3%	43.1%	41.7%
Depreciations and amortisations	-9,766	-5,025	-38,678	-35,064
EBITA	82,823	-3,804	177,451	105,635
EBITA margin, %	60.7%	-3.2%	33.4%	23.2%
Adjusted EBITA	50,154	38,059	190,787	154,998
Adjusted EBITA margin, %	36.8%	32.1%	35.9%	34.0%
Amortisation (acquisitions)	-10,162	-25,196	-86,283	-98,462
EBIT	72,660	-29,001	91,168	7,173
EBIT margin, %	53.3%	-24.5%	17.1%	1.6%
Items affecting comparability				
TSEK				
Acquisition and post-closing integration cost	32,669	-41,863	-13,336	-49,363
Total	32,669	-41,863	-13,336	-49,363

Region South	<u>December</u>
TSEK	2022
Net sales	114,195
EBITDA	-82,182
EBITDA margin, %	-72.0%
Items affecting comparability	-95,973
Adjusted EBITDA	13,791
Adjusted EBITDA margin, %	12.1%
Depreciations and amortisations	-3,662
EBITA	-85,844
EBITA margin, %	-75.2%
Adjusted EBITA	10,129
Adjusted EBITA margin, %	8.9%
Amortisation (acquisitions)	-9,248
EBIT	-95,092
EBIT margin, %	-83.3%

Items affecting comparability	<u>December</u>
TSEK	2022
Acquisition and post-closing integration cost	-95,973
Total	-95,973

Return on capital

TSEK	31 Dec 2022	31 Dec 2021
EBIT	78,842	116,305
Total assets	7,451,727	4,521,922
Return on capital, %	1.1%	2.6%

Net working capital

TSEK	31 Dec 2022	31 Dec 2021
Current assets	1,314,199	1,185,101
Current liabilities	1,865,753	837,600
Net working capital	-551,554	347,501

Cash conversion

TSEK	Q4		Jan-Dec	
	2022	2021	2022	2021
Adjusted EBITDA	110,247	84,488	421,967	374,271
Cash flow from operating activities	169,822	185,221	275,950	314,160
Interest paid	5,215	2,820	24,055	14,607
Income tax paid	43,975	26,666	69,067	45,306
Cash effect adjustment related to items affecting comparability	58,897	7,617	109,309	7,617
Capex related to product development and enhancements	-17,299	-8,560	-55,267	-37,245
Adjusted cash flow from operating activities	260,610	213,762	423,114	344,445
Cash conversion, %	236.4%	253.0%	100.3%	92.0%

Net debt

TSEK	31 Dec 2022	31 Dec 2021
Non-current borrowing from credit institutions	2,483,260	1,209,642
Leasing liabilities, long term	214,442	86,916
Leasing liabilities, short term	52,522	12,477
Cash and cash equivalents	-671,199	-951,471
Net debt	2,079,024	357,564

Leverage ratio

TSEK	31 Dec 2022	31 Dec 2021
Adjusted EBITDA LTM	582,017	374,271
Net debt	2,079,024	357,564
Leverage ratio	3.6	1.0

Quarterly overview

	Q4	Q3	Q2	Q1	Q4
TSEK	2022	2022	2022	2022	2021
Income statement					
Net sales	368,291	263,157	227,111	254,940	221,106
EBITDA	46,942	100,380	66,909	98,428	42,624
EBITDA margin, %	12.7%	38.1%	29.5%	38.6%	19.3%
EBITA	29,297	85,357	54,364	85,448	31,801
EBITA margin, %	8.0%	32.4%	23.9%	33.5%	14.4%
Adjusted EBITA	92,601	93,000	74,101	104,072	73,664
Adjusted EBITA margin, %	25.1%	35.3%	32.6%	40.8%	33.3%
EBIT	-21,470	43,243	12,835	44,234	-9,806
EBIT, margin %	-5.8%	16.4%	5.7%	17.4%	-4.4%
Net financial items	-17,440	15,203	-6,934	-7,948	6,375
Net result	-12,901	49,582	-966	24,174	1,023
Balance sheet					
Non-current assets	6,137,529	3,424,060	3,416,469	3,346,826	3,336,821
Current assets	1,314,199	1,094,549	1,092,044	1,134,755	1,185,101
Cash and cash equivalents	671,199	976,450	981,070	1,029,442	951,471
Equity	2,326,383	2,307,611	2,228,764	2,186,332	2,154,055
Non-current liabilities	3,259,592	1,581,191	1,573,612	1,539,960	1,530,266
Current liabilities	1,865,753	629,808	706,137	755,289	837,600
Total assets	7,451,727	4,518,609	4,508,512	4,481,581	4,521,922
Cash flow					
Cash flow from operating activities	169,822	11,548	-24,030	119,275	185,220
Cash flow from Investing activities	-1,662,838	-24,235	-26,701	-26,601	-59,559
Cash flow from financing activities	1,185,294	-5,915	-23,163	-3,971	578,794
Cash flow for the period	-307,722	-18,602	-73,894	88,703	704,455
Adjusted cash flow from operating activities	260,610	25,563	-19,983	156,925	248,009
Key ratios					
Net working capital	-551,554	464,742	385,906	379,466	347,501
Return on capital, %	-0.3%	1.0%	0.3%	1.0%	-0.2%
Equity/asset ratio, %	31.2%	51.1%	49.4%	48.8%	47.6%
Cash conversion, %	236%	24%	-22%	134%	-12%
Net debt	2,079,024	375,975	360,582	295,045	357,564
Share data:					
Weighted average number of ordinary shares	107,846,671	107,846,671	107,733,357	107,676,700	107,676,700
Earnings per share, basic, SEK	-0.12	0.46	-0.01	0.23	0.01
Earnings per share, after dilution, SEK	-0.12	0.46	-0.01	0.22	0.01

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	Cash flow from operating activities adjusted for cash effect of interests, taxes and items affecting comparability 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.

Key ratio	Definition	Reason for use
EBITDA	Earnings before depreciation and amortisation, financial items, and taxes.	The measure shows the operating profitability before depreciation and amortisation.
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	Average rate	Closing rate	Average rate
	31 Dec 2022	Jan-Dec 2022	31 Dec 2021	Jan-Dec 2021
1 DKK is equivalent to SEK	1.4965	1.4285	1.3753	1.3640
1 NOK is equivalent to SEK	1.0572	1.0518	1.0254	0.9979
1 EUR is equivalent to SEK	11.1283	10.6274	10.2269	10.1449

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

500,000+

Users

7,000+

Specialists

1,300+

Employees

Karnov Group (publ) clears the path to justice, providing mission critical knowledge and workflow solutions to European professionals in the areas of legal, tax and accounting, and environmental, health and safety. 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, Aranzadi LA LEY, Lamy Liaisons, Jusnet, Notisum, Legal Cross Border, Forlaget Andersen, Ante, BELLA Intelligence, LEXNordics, DIBkunnskap and Echoline, Karnov Group delivers knowledge and insights to more than 500,000 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, tax and accounting online and offline products, EHS compliance solutions and legal training

Norway: Tax and accounting online workflow tools

France: Legal online and offline products and solutions, EHS compliance solutions and legal training

Spain and Portugal: Legal online and offline products and solutions and legal training

With offices in Sweden, Denmark, Norway, France, Spain and Portugal, Karnov Group employs around 1,300 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.