

Half-year Report

January – June 2023

Q2

Strong growth and progress in integration

Financial highlights second quarter

- Organic growth (constant currency) was 8.2% in the quarter. The Group's net sales increased by 167.6% to SEK 608 m (actual 227 proforma* 549). Acquired growth contributed with 154.5%. Currency effect was 4.9%. Net sales in Region North were SEK 259 m (227) and net sales in Region South were SEK 349 m (proforma* 321)
- The Group's adjusted EBITA amounted to SEK 109 m (actual 74, proforma* 101) with adjusted EBITA margin of 18.0% (actual 32.6%, proforma 18.4%). Region North contributed with SEK 103 m (88), Region South contributed with SEK 25 m (proforma* SEK 27 m) and Group functions contributed with SEK -19 m (-14).
- Net result amounted to SEK -26 m (-1).
- Earnings per share before and after dilution amounted to SEK -0.24 (-0,01).
- Adjusted operating cash flow amounted to SEK 60 m (-19).

Financial highlights first six months

- Organic growth (constant currency) was 6.9% in the first six months. The Group's net sales increased by 153.5% to SEK 1,222 m (actual 482 proforma* 1,120). Acquired growth contributed with 143.0%. Currency effect was 3.6%. Net sales in Region North were SEK 537 m (482) and net sales in Region South were SEK 685 m (proforma* 637)
- The Group's adjusted EBITA amounted to SEK 250 m (actual 178, proforma* 236) with adjusted EBITA margin of 20.4% (actual 37.0%, proforma 21.1%). Region North contributed with SEK 223 m (203), Region South contributed with SEK 63 m (proforma* 58 m) and Group functions contributed with SEK -36 m (-25).
- Net result amounted to SEK -8 m (23).
- Earnings per share before and after dilution amounted to SEK -0.07 (0,22).
- Adjusted operating cash flow amounted to SEK 270 m (137).

Business highlights

- Net sales growth in Q2 was 11% compared to proforma figures, driven by increased online sales within the legal core businesses and strong performance from our EHS and workflow businesses.
- The integration progresses according to plan in Region South, with stable financial performance on the local markets. The businesses are currently being integrated onto one common tech platform to create best-in-class offerings.
- We are continuing to invest in AI projects and deep learning models for future customer value on our local markets.
- Karnov Group has entered into a new credit facilities agreement of EUR 270 m to refinance existing debt.

Key financial ratios for the Group**

MSEK	Q2			Jan-Jun			Jan-Dec
	2023	2022	Δ%	2023	2022	Δ%	2022
Net sales	607.8	227.1	167.6%	1,221.5	482.0	153.5%	1,113.5
Organic growth, %	8.2%	8.5%		6.9%	6.5%		9.2%
EBITA	80.7	54.3	48.6%	192.5	139.8	37.7%	254.5
EBITA margin, %	13.3%	23.9%		15.8%	29.0%		22.9%
Adjusted EBITA	109.3	74.1	47.5%	249.7	178.2	40.1%	363.8
Adjusted EBITA margin, %	18.0%	32.6%		20.4%	37.0%		32.7%
Profit for the period	-26.2	-1.0	-2520.0%	-7.8	23.2	-133.6%	59.9
Adjusted cash flow from operating activities	60.0	-19.3	410.9%	270.0	136.9	97.2%	423.1

* The proforma numbers have been included for comparability and have not been audited.

** For more information see Financial Definitions and Note 6 for calculations of Alternative Performance Measures.

KARNOV
GROUP

Comment by the CEO

In the second quarter net sales grew strongly and margins were solid thanks to strong efforts across the Group. Revenue growth reached 11% and the adjusted EBITA margin was 18%. During the quarter we have intensified our efforts within AI and launched our new core values.

Karnov Group is driving change within the legal information solutions market. By reaping the benefits of artificial intelligence and staying close to our customers, we will bring more customer value and increase both our own and our customer's efficiency. We believe in common product suites and cross-border development, where innovations in one market can benefit customers in many.

Strong growth and completed refinancing

In the second quarter, the Group net sales grew by 11% and our subscription-based sales grew by 13% compared to proforma figures, including Region South. The growth proves our ability to increase customer value and our resilience in a turbulent macroeconomic market. Our core markets are stable, despite the increased interest rates and high inflation. The weak SEK has had positive impact on disclosed net sales, as the majority of our sales is in EUR or currency pegged to EUR.

The organic growth in Region North was 8.2%, a slight increase compared to the previous year. The second quarter is characterised by a high portion of online sales, and the demand for our online solutions is growing. Our EHS and workflow businesses are expanding in fast-growing markets, while our core businesses grow sustainably.

The net sales development in Region South is stable and in line with our expectations. The newly launched whistleblower solution, which has been developed by our Spanish businesses in cooperation and are sold by both, is appreciated among customers. We are exploring additional cross-selling opportunities in Spain with the innovative product portfolio. In France, we continue to have a strong demand for our e-learning solutions. We are currently advancing the transition from physical to online training.

The adjusted EBITA margin reached 18.0% in the second quarter. Region North has improved the margin compared to the previous year, while progress has been made in the integration in Region South.

We have completed the refinancing of existing debt. The new financing agreement is in EUR to better reflect the Group cash flow. Moreover, the agreement allows us to pursue future opportunities as well as linking the agreement to ESG targets.

Progress in Region South integration

The acquisition of Region South captures a unique and attractive opportunity to significantly increase the total addressable market while also providing a strong regional footprint for future international expansion. The businesses are currently being integrated onto one common tech platform to utilise the individual strengths and create best-in-class offerings. The integration is progressing in line with the time plan. During the second quarter, we have reached important technical milestones and established cross-market teams to promote and accelerate the integration. We iterate our ambition to harvest cost-synergies of EUR 7.5 m with full effect on run-rate basis at the end of 2024 and an additional EUR 2.5 m with full effect at the end of 2026.

Investing in AI for future customer value

Artificial Intelligence creates opportunities to enhance customer interaction with our proprietary content while also improving efficiency. Our proprietary content databases are a competitive advantage as they guarantee certainty. In the short term ChatGPT and other AI-based tools will change the way we search for knowledge. We are embracing the opportunity to enhance the way we search for knowledge in legal databases, creating even more value to our customers. During the year, we will launch new AI-based tools with the appreciated Karnov DNA: certainty and efficiency.

The Karnovian culture

We are convinced our colleagues and our corporate culture are vital for our future success. We have during the second quarter launched our new core values: *Customer Centricity, Collaborative Community, Trust and Openness* as well as *Curiosity and Knowledge*. The new core values will support our ambition to improve our product offering, increase our value to our customers and promote Karnov as an attractive employer.

Capital Markets Day on 5 October 2023

Karnov Group will host a Capital Markets Day on 5 October 2023. During the day, we will present our strategic priorities and ambitions for the coming years. Please register here to participate: <https://ir.financialhearings.com/karnov-group-cmd-2023/register>.

Karnov Group's financial targets:

Growth

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

Profitability

Increased Adjusted EBITA margin in the medium term.

Capital structure

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

Dividend policy

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

”

Artificial Intelligence creates opportunities to enhance customer interaction with our proprietary content while also improving efficiency. Our proprietary content databases are a competitive advantage as they guarantee certainty.

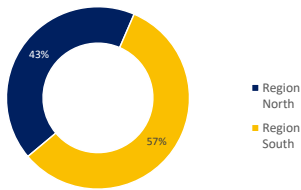
”



Pontus Bodelsson
President and CEO

Group financial performance

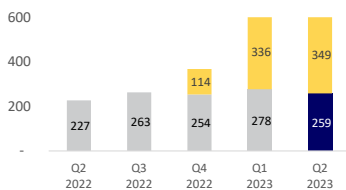
Net sales by segment Q2 (%)



8%

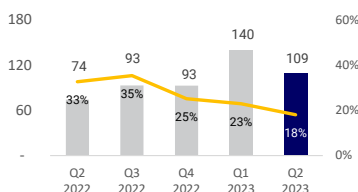
Organic growth

Net sales per quarter, SEKm



18%

Adjusted EBITA margin



Second quarter and first six months

MSEK	Q2			Jan-Jun			Jan-Dec
	2023	2022	Δ%	2023	2022	Δ%	2022
Net sales	607.8	227.1	167.6%	1,221.5	482.0	153.5%	1,113.5
Organic growth, %	8.2%	8.5%		6.9%	6.5%		9.2%
EBITA	80.7	54.3	48.6%	192.5	139.8	37.7%	254.5
EBITA margin, %	13.3%	23.9%		15.8%	29.0%		22.9%
Adjusted EBITA	109.3	74.1	47.5%	249.7	178.2	40.1%	363.8
Adjusted EBITA margin, %	18.0%	32.6%		20.4%	37.0%		32.7%
EBIT	28.9	12.8	125.8%	86.2	57.1	51.0%	78.8
EBIT, margin %	4.8%	5.6%		7.1%	11.8%		7.1%

Net sales and growth

For the three-month period, April-June 2023, net sales increased by SEK 381 m to SEK 608 m (actual 227, proforma 549). Organic growth on a constant currency basis was 8.2 percent and currency effects had a positive impact on net sales of 4.9 percent. Acquired growth accounted for 154.5 percent and mainly relates to the acquisition of Region South, which was completed on 30 November 2022.

We experience a solid market demand for legal information solutions across the Group. The organic growth in the second quarter is driven by Region North where we continue to enhance our value proposition and onboard more users to our platforms. We continue to grow within the public sector, mainly municipalities. Our EHS and workflow businesses are also performing well with strong growth.

Region South delivered stable net sales in line with expectations, adjusted for currency effects. During the quarter our Spanish businesses have started cross-selling products. The newly launched whistleblower solution, which is the first product developed in cooperation by our Spanish entities, is appreciated among customers. The French business Lamy Liaisons was stable and had positive development within the e-learning area.

For the first six months, January-June 2023, net sales increased by SEK 740 m to SEK 1,222 m (actual 482, proforma 1,120). Organic growth on a constant currency basis was 6.9 percent and currency effects had a positive impact on net sales of 3.6 percent. Acquired growth accounted for 143.0 percent.

Operating profit (EBIT)

EBITA for the quarter amounted to SEK 81 m (actual 54, proforma 82) and EBITA margin amounted to 13.3 percent (actual 23.9, proforma 14.9). The EBITA performance includes items affecting comparability of SEK 29 m (20) mainly relating to integration work in Region South.

Adjusted EBITA amounted to SEK 109 m (actual 74, proforma 101) and adjusted EBITA margin amounted to 18.0 percent (actual 32.6, proforma 18.4).

The decrease in margin is related to the consolidation of Region South, which has diluted the Group margin. The main cost driver is increased personnel expenses. Depreciations of capitalised development have increased compared to the previous year. We have also invested in AI projects for future customer value.

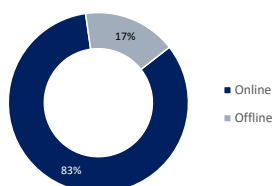
Adjusted EBITA for Region North was SEK 103 m (88) and adjusted EBITA margin amounted to 39.7 percent (38.8).

Adjusted EBITA for Region South was SEK 25 m (proforma 27) and adjusted EBITA margin amounted to 7.2 percent (proforma 8.4).

Operating profit (EBIT) was SEK 29 m (13) for the quarter.

For the first six months, EBITA amounted to SEK 193 m (actual 140, proforma 198) and EBITA margin amounted to 15.8 percent (actual 29.0, proforma 17.7). Adjusted EBITA was SEK 250 m (actual 178, proforma 236) and adjusted EBITA margin amounted to 20.4 percent (actual 37.0, proforma 21.1). Operating profit (EBIT) was SEK 86 m (actual 57, proforma 115) for the first six months.

Net sales split online/offline per Q2, %



41%

Adjusted Cash conversion

3.6

Leverage

Net financial items

Net financial items for the quarter amounted to SEK -62 m (-7). The increased financial costs are mainly related to long-term borrowings for financing of the acquisition of Region South and currency effects. Due to refinancing of credit facilities previously activated and not amortized yet loan costs were expensed in amount of SEK -7 m. Currency effect for the quarter was SEK -22 m (-1), relating to long-term loans in DKK and EUR. Net financial items for the first six months amounted to SEK -95 m (-15).

Share of profit in associated companies

Share of profit in associated companies amounted to SEK -1 m (-2) in the quarter and SEK -3 m (-8) for the first six months.

Profit before and after tax, Earnings per share

Profit before tax for the quarter decreased by SEK -37 m to SEK -33 m (4). Profit after tax for the quarter was SEK -26 m (-1). Taxes amounted to SEK 7 m (-5). Earnings per share after dilution was SEK -0.24 (-0.01) for the quarter.

Cash flow and investments

Cash flow from operating activities increased by SEK 41 m and amounted to SEK 17 m (-24). The increase reflects the positive effect from the acquisition of Region South. Region South has a slightly later seasonal dynamic with a more widely spread of invoicing during the year.

Total investments for the quarter amounted to SEK 95 m (27). The investments during the quarter mainly relate to capitalised development within the Group, as well the final payment of SEK 54 m to Wolters Kluwer for the acquisition of LA LEY and Lamy Liaisons. Total financing for the quarter amounted to SEK -278 m (-23), of which SEK -256 m relates to refinancing of existing debt. The adjusted cash conversion rate for the quarter amounted to 40.7 percent (-22.3).

Adjusted cash conversion	Q2		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
MSEK					
Adjusted EBITDA	147.5	86.7	320.8	203.8	422.0
Adjusted cash flow from operating activities	60.0	-19.3	270.0	136.9	423.1
Adjusted cash conversion, %	40.7%	-22.3%	84.2%	67.2%	100.3%

Financial position

Net debt was SEK 2,178 m (361) at the end of the period. The net debt has increased by SEK 1,817 m relating to long-term borrowings compared to the end of the corresponding quarter previous year.

The leverage at the end of the period, based on proforma adjusted EBITDA LTM, was 3.6 (0.9) times and the equity ratio was 32.8 percent (49.4) with an equity of SEK 2,432 m (2,229).

Net Debt

MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
Total borrowings	2,634.0	1,341.6	2,750.2
Cash and cash equivalents	455.9	981.1	671.2
Net debt	2,178.1	360.5	2,079.0
Leverage ratio	3.6	0.9	3.6

Cash and cash equivalents at the end of the period amounted to SEK 456 m (981) and the Group had end of June 2023 unutilized credit lines of EUR 70 m.

Significant events

Second quarter

- Karnov Group holds its Annual General Meeting. Minutes from the AGM can be downloaded from <https://www.karnovgroup.com/en/annual-general-meeting-2023/>.
- Karnov Group enters into new credit facilities agreement of EUR 270 m with Nordea Danmark, Filial af Nordea Bank Abp, Finland, DNB Bank ASA, Sweden Branch and Banco Bilbao Vizcaya Argentaria, S.A to refinance existing debt.

Events after the end of the period

- There were no significant events after the end of the period.

Segment performance

Region North

Region North 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 Karnov Group Denmark, Norstedts Juridik, DIBkunnskap, Notisum, Echoline, Nørskov Miljø, Forlaget Andersen, Legal Cross Border, Ante and BELLA Intelligence.

MSEK	Q2			Jan-Jun			Jan-Dec
	2023	2022	Δ%	2023	2022	Δ%	2022
Net sales	258.8	227.1	14.0%	536.5	482.0	11.3%	999.3
Organic growth, %	8.2%	8.5%		6.9%	6.5%		9.2%
Adjusted EBITA	102.7	88.2	16.4%	223.2	202.9	10.0%	408.1
Adjusted EBITA margin, %	39.7%	38.8%		41.6%	42.1%		40.8%

Net sales and growth

Net sales for the quarter increased by 14.0 percent to SEK 259 m (227). The organic growth for the quarter was 8.2 percent, acquired growth and currency effects had a positive impact of 0.9 and 4.9 percent respectively. Online sales accounted for 93 percent (91).

The organic growth is driven by online sales, mainly within the legal research area. The main growth driver is the public sector, where our municipality solution is harvesting success. We have also increased the customer value and moved up the value-chain, with the new product ROA appreciated by customers.

Our EHS businesses continues to be successful in new sales, closing new contracts mainly within the corporate segment. We continue to grow sustainably within EHS while having limited churn.

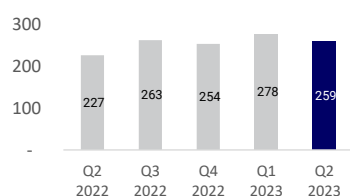
For the first six months, January-June 2023, net sales increased by SEK 55 m to SEK 537 m (482). Organic growth on a constant currency basis was 6.9 percent and currency effects had a positive impact on net sales of 3.6 percent. Acquired growth accounted for 0.8 percent and relates to the acquisition of Nørskov Miljø.

Adjusted EBITA

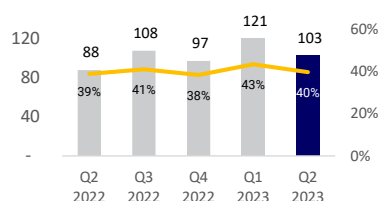
In the second quarter, adjusted EBITA amounted to SEK 103 m (88) and adjusted EBITA margin amounted to 39.7 percent (38.8). The margin improvement is due to increased net sales as well as operational excellence.

For the first six months, adjusted EBITA amounted to SEK 223 m (203) and EBITA margin amounted to 41.6 percent (42.1).

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. The segment provides online tools for the broad legal services market, including workflow solutions and AI-based tools. Region South also offers legal classroom training and e-courses. The segment includes Aranzadi LA LEY, Lamy Liaisons and Jusnet.

Region South

MSEK	Q2			Jan-Jun			Jan-Dec
	2023	2022	Δ%	2023	2022	Δ%	2022
Net sales	349.0	-		685.0	-		114.2
Organic growth, %	0.0%	0.0%		0.0%	0.0%		-
Adjusted EBITA	25.2	-		62.8	-		10.1
Adjusted EBITA margin, %	7.2%	0.0%		9.2%	0.0%		8.9%

Net sales and growth

Net sales for the quarter were SEK 349 m (proforma 321). The significant increase in net sales compared to proforma is explained by currency effects of 9.4 percent. The underlying performance of Region South is stable compared to the previous year. Online sales accounted for 76 percent in the second quarter.

We experience no deviations from our expectations in Region South. Sales development is stable, with positive new sales development in the segment, but higher churn compared to Region North. We have good traction within the e-learning segment in both markets.

The integration progresses well in Region South and we have started cross-selling products on the Spanish market. We are currently advancing the transition from physical training to eLearning in France, in line with customer demands.

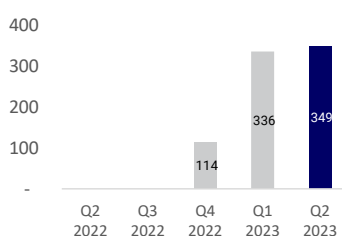
For the first six months, January-June 2023, net sales reached were SEK 685 m (proforma 637). Currency effects had a positive impact of 8.1 percent.

Adjusted EBITA

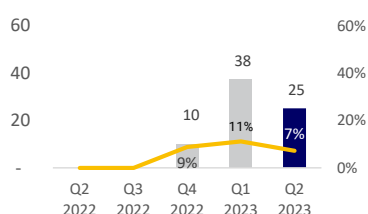
In the second quarter, adjusted EBITA amounted to SEK 25 m (proforma 27) and adjusted EBITA margin was 7.2 percent (proforma 8.4). The adjusted EBITA decrease of SEK 2 m compared to proforma numbers is due to higher operating expenses compared to the previous year.

For the first six months, adjusted EBITA amounted to SEK 63 m (proforma 58) and adjusted EBITA margin was 9.2 percent (proforma 9.1).

Net sales per quarter, SEKm



Adjusted EBITA, SEKm and margin, % per quarter



Segment performance (cont.)

Group functions is the corporate segment including costs for functions within Karnov Group that either steer or provide support to the Group. The segment also includes costs for future business opportunities as well as items affecting comparability.

Group functions

MSEK	Q2			Jan-Jun			Jan-Dec
	2023	2022	Δ%	2023	2022	Δ%	2022
Net sales							
Adjusted EBITA	-18.6	-14.1		-36.3	-24.7	-47.0%	-54.4
Adjusted EBITA margin, %							

Adjusted EBITA

During 2022 the Group functions were expanded to prepare for the European expansion with the acquisition of Region South. The Group functions cover the Group wide tasks such as Group Management, Investor Relations and Group Finance functions.

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 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 56-57 of the 2022 Annual report, available at the Company's website www.karnovgroup.com.

Seasonal variations

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

Employees

Average number of Full-Time Employees (FTEs) in the second quarter amounted to 1,248 (299). The increase is mainly due to the acquisition of Region South. On average during the second quarter, 42% (53%) of the workforce were males and 58% (47%) females.

Shares, share capital and shareholders

Karnov Group's share was listed on Nasdaq Stockholm on 11 April 2019, Mid Cap segment, under the ticker KAR.

During the month of June 2023, a total of 29,474 shares of series C, previously issued and repurchased under Karnov Group's long-term incentive plan LTIP 2020, resolved by the annual general meeting in May 2020, were converted into ordinary shares. The number of ordinary shares has thus increased by 29,474 shares and the number of Class C shares has decreased by the same number of shares. The number of votes has increased by 26,526.6.

On 30 June 2023, the total number of shares and votes in Karnov Group AB (publ) amounts to 108,102,047 shares and 107,898,735.2 votes. Each share has a quotient value of approximately SEK 0.015385. The total number of shares consists of 107,876,145 ordinary shares, which carry one vote per share, and 225,902 shares of series C, which carry one-tenth of a vote per share. A detailed description of changes in the share capital is available on the Company's website, www.karnovgroup.com/en/share-capital-development/.

On 30 June 2023, the Company had 1,357 known shareholders. The five largest shareholders in Karnov Group AB (publ) were Long Path Partners, Swedbank Robur Funds, Carnegie Funds, Invesco and Didner & Gerge Funds.

Incentive programs

Karnov Group currently has one long-term incentive program, LTIP 2023, which is a share saving program. The purpose of the program is to encourage 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 program have allocated acquired or already held ordinary shares to the program (so-called savings shares).

19 employees participate in LTIP 2023. The participants have allocated a total of 96,845 savings shares to the program. Full allotment would mean that the total number of shares under the program will amount to no more than 366,007 ordinary shares, corresponding approximately 0.3 per cent of the total number of shares outstanding in the Company. For more information see www.karnovgroup.com/en/incentive-program/

Related-party transactions

Karnov Group did not undertake any significant transactions with related parties in the second quarter 2023 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 -5 m (-34).

Outlook

Karnov Group does not provide financial forecasts. The report may contain forward-looking information based on Management's current expectations. Although Management believes the expectations expressed in such forward-looking information are reasonable, there are no assurances that these expectations will be correct. Consequently, future outcomes may vary considerably compared to the forward-looking information due to, among other things, changed market conditions for Karnov Group's offerings and more general changes to economic, market and competitive conditions, changes to regulatory requirements or other policy measures and exchange rate fluctuations.

Review

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

Disclosure

This half-year report contains inside information that Karnov Group AB (publ) is required to make public pursuant to the EU Market Abuse Regulation (MAR) and information that Karnov Group AB (publ) is required to make public pursuant to the Swedish Securities Market Act. The information was submitted for publication by the contact person below on 17 August 2023 at 07.45 AM CEST.

Signatures

The Board of Directors and the CEO certify that these consolidated financial statements and half-year report have been prepared in accordance with International Financial Reporting Standards IFRS, as adopted by the EU and generally accepted accounting principles and gives a fair view of the Group's and Parent Company's financial position and results of operations.

Stockholm, 17 August 2023

Magnus Mandersson
Chairman of the Board

Ulf Bonnevier
Board Member

Lone Møller Olsen
Board Member

Salla Vainio
Board Member

Loris Barisa
Board Member

Pontus Bodelsson
President and CEO

For further information, please contact:

Pontus Bodelsson, President and CEO
+46 709 957 002
pontus.bodelsson@karnovgroup.com

Magnus Hansson, CFO
+46 708 555 540
magnus.hansson@karnovgroup.com

Erik Berggren, Head of Investor Relations
+46 707 597 668
erik.berggren@karnovgroup.com

Q2 presentation webcast

Karnov Group will present the second quarter for analysts and investors via a webcast teleconference on 17 August at 9 AM CEST. To participate, use the following link:
<https://ir.financialhearings.com/karnov-group-q2-2023>
or register here for dial-in numbers:
<https://conference.financialhearings.com/tel-conference/?id=200911>.

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

Financial calendar 2023

Interim report January-September 2023
8 November 2023

Consolidated statement of comprehensive income

MSEK	Note	Q2		Jan-Jun		Jan-Dec
		2023	2022	2023	2022	2022
Net sales	3	607.8	227.1	1,221.5	482.0	1,113.5
Total revenue		607.8	227.1	1,221.5	482.0	1,113.5
Costs of goods sold		-93.3	-29.9	-184.2	-68.3	-157.9
Employee benefit expenses		-273.2	-80.1	-530.0	-153.4	-400.5
Depreciations and amortisations		-90.0	-54.1	-177.4	-108.3	-233.8
Other operating income and expenses		-122.4	-50.2	-243.7	-94.9	-242.5
Operating profit (EBIT)		28.9	12.8	86.2	57.1	78.8
Share of Profit in associated companies		-0.8	-2.2	-2.9	-8.1	-11.7
Financial income		2.9	0.0	3.5	0.0	23.2
Financial expenses		-64.4	-6.9	-98.3	-14.9	-40.3
Profit before tax		-33.4	3.7	-11.5	34.1	50.0
Tax on profit for the period		7.2	-4.7	3.7	-10.9	9.9
Profit for the period		-26.2	-1.0	-7.8	23.2	59.9
Other comprehensive income:						
Items that may be reclassified to the income statement:						
Exchange differences on translation of foreign operations		89.5	42.3	112.0	51.2	111.0
Actuarial gains/losses on defined benefit plans		-	-	-	-	0.2
Other comprehensive income for the period		89.5	42.3	112.0	51.2	111.2
Total comprehensive income for the period		63.3	41.3	104.2	74.4	171.1
Profit for the period is attributable to:						
Owners of Karnov Group AB (publ)		-26.2	-1.1	-7.8	23.2	59.9
Non-controlling interests		0.0	0.1	0.0	0.0	0.0
Profit for the period		-26.2	-1.0	-7.8	23.2	59.9
Total comprehensive income for the period is attributable to:						
Owners of Karnov Group AB (publ)		63.3	41.2	104.2	74.4	171.1
Non-controlling interests		0.0	0.1	0.0	0.0	0.0
Total comprehensive income		63.3	41.3	104.2	74.4	171.1
Earnings per share, basic, SEK		-0.24	-0.01	-0.07	0.22	0.56
Earnings per share, after dilution, SEK		-0.24	-0.01	-0.07	0.22	0.56
Weighted average number of ordinary shares (thousands)		107,861	107,733	107,854	107,705	107,847
Effect of performance shares (thousands)		241	369	248	397	255
Weighted average number of ordinary shares adjusted for the effect of dilution (thousands)		108,102	108,102	108,102	108,102	108,102

Consolidated balance sheet

MSEK	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS:				
Goodwill		3,457.5	1,967.8	3,249.6
Other intangible assets		2,420.6	1,219.6	2,391.0
Right-of-use assets		252.7	105.1	236.7
Property, plant and equipment		44.7	6.0	45.4
Investments in associated companies		55.0	54.6	54.3
Loans to associated companies		25.2	21.8	25.7
Deposits		9.2	3.7	12.4
Deferred tax assets		142.4	37.9	122.5
Total non-current assets		6,407.3	3,416.5	6,137.5
Inventories		20.8	14.4	20.5
Trade receivables	5	424.9	85.4	530.6
Prepaid expenses		56.2	9.9	46.2
Other receivables		21.7	1.2	6.3
Tax receivables		25.9	-	39.4
Cash and cash equivalents	5	455.9	981.1	671.2
Total current assets		1,005.4	1,092.0	1,314.2
TOTAL ASSETS		7,412.7	4,508.5	7,451.7
MSEK		30 Jun 2023	30 Jun 2022	31 Dec 2022
EQUITY AND LIABILITIES:				
Share capital		1.7	1.7	1.7
Share premium		2,654.0	2,654.0	2,654.0
Treasury shares		-0.0	-0.0	-0.0
Reserves		-114.8	-286.8	-226.8
Retained earnings including net profit for the period		-115.4	-146.6	-109.0
Total equity attributable to the parent company's shareholders		2,425.5	2,222.3	2,319.9
Non-controlling interests		6.5	6.5	6.5
Total equity		2,432.0	2,228.8	2,326.4
Borrowing from credit institutions	5	2,257.0	1,233.2	2,483.3
Lease liabilities		224.0	93.2	214.4
Deferred tax liabilities		405.6	186.4	413.1
Provisions		64.0	7.0	60.6
Other non-current liabilities		88.4	53.8	88.2
Total non-current liabilities		3,039.0	1,573.6	3,259.6
Borrowing from credit institutions	5	88.4	-	-
Trade payables	5	129.2	19.6	137.6
Current tax liabilities		16.8	10.3	20.5
Accrued expenses		474.5	135.9	498.7
Prepaid income		1,110.0	450.7	1,028.0
Lease liabilities		64.6	15.2	52.5
Other current liabilities	5	58.2	74.4	128.4
Total current liabilities		1,941.7	706.1	1,865.8
TOTAL EQUITY AND LIABILITIES		7,412.7	4,508.5	7,451.7

Consolidated statement of changes in equity

Equity attributable to the parent company's shareholders

MSEK	Share capital	Share premium	Treasury shares	Reserves	Retained earnings	Equity attributable to the parent company's shareholders	Non-controlling interests	Total equity
Balance at January 1, 2023	1.7	2,654.0	-0.0	-226.8	-109.0	2,319.9	6.5	2,326.4
Profit for the period	-	-	-	-	-7.8	-7.8	-0.0	-7.8
Other comprehensive income for the period	-	-	-	112.0	-	112.0	-	112.0
Total comprehensive income/loss	-	-	-	112.0	-7.8	104.2	-0.0	104.2
Transaction with shareholders in their capacity as owners:								
Sharebased payment	-	-	0.0	-	1.4	1.4	-	1.4
Total transaction with shareholders	-	-	0.0	-	1.4	1.4	-	1.4
Closing balance at June 30, 2023	1.7	2,654.0	-0.0	-114.8	-115.4	2,425.5	6.5	2,432.0

Equity attributable to the parent company's shareholders

MSEK	Share capital	Share premium	Treasury shares	Reserves	Retained earnings	Equity attributable to the parent company's shareholders	Non-controlling interests	Total equity
Balance at January 1, 2022	1.7	2,654.8	-0.0	-338.0	-171.0	2,147.5	6.5	2,154.0
Profit for the period	-	-	-	-	23.2	23.2	-0.0	23.2
Other comprehensive income for the period	-	-	-	51.3	-	51.3	0.0	51.3
Total comprehensive income/loss	-	-	-	51.3	23.2	74.5	-0.0	74.5
Transaction with shareholders in their capacity as owners:								
Issue of ordinary shares*	-	-0.8	-	-	-	-0.8	-	-0.8
Sharebased payment	-	-	-	-	1.1	1.1	-	1.1
Total transaction with shareholders	-	-0.8	-	-	1.1	0.3	-	0.3
Closing balance at June 30, 2022	1.7	2,654.0	-0.0	-286.7	-146.7	2,222.3	6.5	2,228.8

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

Consolidated statement of cash flows

MSEK	Q2		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
Operating profit (EBIT)	28.9	12.8	86.2	57.1	78.8
Non-cash items	90.8	55.2	178.4	109.4	242.9
Effect of changes in working capital:					
Change in inventories	0.3	-2.0	0.1	-2.8	-2.5
Change in receivables	93.0	-11.9	105.5	111.9	-15.7
Change in trade payables and other payables	-70.0	-12.1	-123.3	-75.7	-14.9
Provisions paid	-	-	-3.2	-	-
Change in prepaid income	-81.4	-58.0	23.3	-75.8	80.4
Net financial items, paid	-31.5	-3.1	-62.7	-8.7	-24.0
Corporate tax paid	-12.7	-4.9	-19.7	-20.8	-69.1
Net effect of changes in working capital	-102.3	-92.0	-80.0	-71.9	-45.8
Cash flow from operating activities	17.4	-24.0	184.6	94.6	275.9
Acquisition of subsidiaries	-54.2	-	-62.9	-	-1,635.1
Acquisition of participations in associated companies	-	-	-	-	-2.9
Loan to associated companies	-	-0.7	-	-5.7	-8.6
Acquisition of intangible assets	-38.5	-25.3	-69.1	-45.9	-89.2
Acquisition of property, plant and equipment	-2.2	-0.7	-7.2	-1.0	-3.9
Cash flow from investing activities	-94.9	-26.7	-139.2	-52.6	-1,739.7
Repayment long-term debt	-2,587.9	-	-2,587.9	-	-
Proceeds long-term debt	2,331.5	-	2,331.5	-	1,192.7
Payment of lease liabilities	-19.9	-13.3	-27.4	-17.3	-32.8
Change in long-term receivables	-2.1	-0.9	-2.6	-0.9	1.3
Proceeds from share issues	-	-0.8	-	-0.8	-0.8
Payment of contingent considerations	-	-8.1	-17.1	-8.1	-8.1
Cash flow from financing activities	-278.4	-23.1	-303.5	-27.1	1,152.3
Cash flow for the period	-355.9	-73.8	-258.1	14.9	-311.5
Cash and cash equivalents at the beginning of the period	770.1	1,029.4	671.2	951.5	951.5
Exchange-rate differences in cash and cash equivalents	41.7	25.5	42.8	14.7	31.2
Cash and cash equivalents at the end of the period	455.9	981.1	455.9	981.1	671.2

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 2023 are the same as the accounting policies used for the annual report 2022 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 2022 Note 4, page 75, for further details regarding critical estimates and judgements.

Note 3. Segment reporting

Karnov Group has as a consequence of the 2022-acquisition of companies in France, Spain and Portugal adjusted its operating segments from "Denmark" and "Sweden/Norway" to "North", "South" and "Group Functions". This segmentation has also been applied for the comparison numbers and is consistent with the internal reporting provided to the chief operating decision maker. The Group CEO has been identified as the chief operating decision maker and assesses the financial performance and position of the Group and makes strategic decisions. Segment profits are monitored to Adjusted EBITA. Income statement items below Adjusted EBITA, balance sheet and cash flows are entirely monitored on Group level. Karnov Group's business operations are in general independent of differences in products and channels and the Group therefore monitors the overall net sales distribution trend between online and offline products at Group level.

	North		South		Group Functions		Total	
	Q2		Q2		Q2		Q2	
MSEK	2023	2022	2023	2022	2023	2022	2023	2022
Net sales specified on product categories:								
Online	239.4	206.6	266.8	-	-	-	506.2	206.6
Offline	19.4	20.5	82.2	-	-	-	101.6	20.5
Net sales	258.8	227.1	349.0	-	-	-	607.8	227.1
Adjusted EBITDA	120.2	100.8	45.9	-	-18.6	-14.1	147.5	86.7
Depreciations and amortisations	-17.5	-12.6	-20.7	-	-	-	-38.2	-12.6
Adjusted EBITA	102.7	88.2	25.2	-	-18.6	-14.1	109.3	74.1
Amortizations from acquisitions							-51.8	-41.5
Items affecting comparability							-28.6	-19.8
Operating profit (EBIT)							28.9	12.8
Share of profit in associated companies							-0.8	-2.2
Net financial items							-61.5	-6.9
Profit before tax							-33.4	3.7
Tax on profit for the period							7.2	-4.7
Profit for the period							-26.2	-1.0

	North		South		Group Functions		Total	
	Jan-Jun		Jan-Jun		Jan-Jun		Jan-Jun	
MSEK	2023	2022	2023	2022	2023	2022	2023	2022
Net sales specified on product categories:								
Online	465.4	408.5	528.0	-	-	-	993.4	408.5
Offline	71.1	73.5	157.0	-	-	-	228.1	73.5
Net sales	536.5	482.0	685.0	-	-	-	1,221.5	482.0
Adjusted EBITDA	257.0	228.5	100.1	-	-36.3	-24.7	320.8	203.8
Depreciations and amortisations	-33.8	-25.6	-37.3	-	-	-	-71.1	-25.6
Adjusted EBITA	223.2	202.9	62.8	-	-36.3	-24.7	249.7	178.2
Amortizations from acquisitions							-106.3	-82.7
Items affecting comparability							-57.2	-38.4
Operating profit (EBIT)							86.2	57.1
Share of profit in associated companies							-2.9	-8.1
Net financial items							-94.8	-14.9
Profit before tax							-11.5	34.1
Tax on profit for the period							3.7	-10.9
Profit for the period							-7.8	23.2

Note 4. Business combinations and similar transactions

Nørskov Miljø ApS

On 3rd January 2023, Karnov Group acquired Nørskov Miljø ApS for a cash consideration of SEK 8.7 m. The purchase price allocation is currently being prepared. Per end of June 2023 is the entire excess value of SEK 5.9 m allocated to goodwill.

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. 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.

The 21 June 2023 Karnov Group paid a final settlement of SEK 54 m to Wolters Kluwer for the acquisition of Lamy Liaisons (France) and La Ley (Spain). The sum was allocated to Goodwill. Final settlement with Thomson Reuters of SEK 4 m repayment was done in July 2023 after the balance sheet date. The purchase price allocation for Region South will expectedly be finalised during Q3 2023.

Note 5. Fair value of financial instruments

MSEK	Carrying Amount			Fair value		
	30 Jun 2023	30 Jun 2022	31 Dec 2022	30 Jun 2023	30 Jun 2022	31 Dec 2022
FINANCIAL ASSETS						
Financial assets at amortised cost						
Trade receivables	424.9	85.4	530.6	424.9	85.4	530.6
Cash and cash equivalents	455.9	981.1	671.2	455.9	981.1	671.2
Total financial assets	880.8	1,066.5	1,201.8	880.8	1,066.5	1,201.8
FINANCIAL LIABILITIES						
Financial liabilities at fair value through profit or loss (FVPL)						
Contingent considerations	13.4	50.3	29.9	13.4	50.3	29.9
Liabilities at amortised cost						
Trade payables	129.2	19.6	137.6	129.2	19.6	137.6
Borrowing from credit institutions	2,345.4	1,233.2	2,483.3	2,345.4	1,233.2	2,483.3
Total financial liabilities	2,488.0	1,303.1	2,650.8	2,488.0	1,303.1	2,650.8

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.

Borrowing from credit institutions

The carrying amount of 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, 2022. No transfers between the levels of fair value hierarchies have taken place in 2023

Note 6. 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.

	North		South		Group Functions		Total	
	Q2		Q2		Q2		Q2	
MSEK	2023	2022	2023	2022	2023	2022	2023	2022
Organic business	245.6	218.2	-	-	-	-	245.6	218.2
Acquired business	2.1	4.7	349.0	-	-	-	351.1	4.7
Currency	11.1	4.2	-	-	-	-	11.1	4.2
Net sales	258.8	227.1	349.0	-	-	-	607.8	227.1
Total net sales split, %								
Organic growth, %	8.2%	8.5%	-	-	-	-	8.2%	8.5%
Acquired business, %	0.9%	2.3%	100.0%	-	-	-	154.5%	2.3%
Currency effect, %	4.9%	2.1%	-	-	-	-	4.9%	2.1%
Total growth, %	14.0%	12.9%	100.0%	-	-	-	167.6%	12.9%
EBITDA	120.2	100.8	19.1	-	-20.4	-33.9	118.9	66.9
EBITDA margin, %	46.4%	44.4%	5.5%	-	-	-	19.6%	29.5%
Depreciations and amortisations	-17.5	-12.6	-20.7	-	-	-	-38.2	-12.6
EBITA	102.7	88.2	-1.6	-	-20.4	-33.9	80.7	54.3
EBITA margin, %	39.7%	38.8%	-0.5%	-	-	-	13.3%	23.9%
Items affecting comparability	-	-	-26.8	-	-1.8	-19.8	-28.6	-19.8
Adjusted EBITDA	120.2	100.8	45.9	-	-18.6	-14.1	147.5	86.7
Adjusted EBITDA margin, %	46.4%	44.4%	13.2%	-	-	-	24.3%	38.2%
Adjusted EBITA	102.7	88.2	25.2	-	-18.6	-14.1	109.3	74.1
Adjusted EBITA margin, %	39.7%	38.8%	7.2%	-	-	-	18.0%	32.6%
Items affecting comparability								
Acquisition and post-closing integration cost	-	-	-26.8	-	-1.8	-19.8	-28.6	-19.8
Total	-	-	-26.8	-	-1.8	-19.8	-28.6	-19.8

	North		South		Group Functions		Total	
	Jan-Jun		Jan-Jun		Jan-Jun		Jan-Jun	
MSEK	2023	2022	2023	2022	2023	2022	2023	2022
Organic business	515.2	463.0	-	-	-	-	515.2	463.0
Acquired business	3.5	9.3	685.0	-	-	-	688.5	9.3
Currency	17.8	9.7	-	-	-	-	17.8	9.7
Net sales	536.5	482.0	685.0	-	-	-	1,221.5	482.0
Total net sales split, %								
Organic growth, %	6.9%	6.5%	-	-	-	-	6.9%	6.5%
Acquired business, %	0.8%	2.2%	100.0%	-	-	-	143.0%	2.2%
Currency effect, %	3.6%	2.3%	-	-	-	-	3.6%	2.3%
Total growth, %	11.3%	11.0%	100.0%	-	-	-	153.5%	11.0%
EBITDA	257.0	228.5	50.4	-	-43.8	-63.1	263.6	165.4
EBITDA margin, %	47.9%	47.4%	7.4%	-	-	-	21.6%	34.3%
Depreciations and amortisations	-33.8	-25.6	-37.3	-	-	-	-71.1	-25.6
EBITA	223.2	202.9	13.1	-	-43.8	-63.1	192.5	139.8
EBITA margin, %	41.6%	42.1%	1.9%	-	-	-	15.8%	29.0%
Items affecting comparability	-	-	-49.7	-	-7.5	-38.4	-57.2	-38.4
Adjusted EBITDA	257.0	228.5	100.1	-	-36.3	-24.7	320.8	203.8
Adjusted EBITDA margin, %	47.9%	47.4%	14.6%	-	-	-	26.3%	42.3%
Adjusted EBITA	223.2	202.9	62.8	-	-36.3	-24.7	249.7	178.2
Adjusted EBITA margin, %	41.6%	42.1%	9.2%	-	-	-	20.4%	37.0%
Items affecting comparability								
Acquisition and post-closing integration cost	-	-	-49.7	-	-7.5	-38.4	-57.2	-38.4
Total	-	-	-49.7	-	-7.5	-38.4	-57.2	-38.4

Adjusted cash conversion

MSEK	Q2		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
Adjusted EBITDA	147.5	86.7	320.8	203.8	422.0
Cash flow from operating activities	17.4	-24.0	184.6	94.6	275.9
Interest paid	31.5	3.1	62.7	8.7	24.1
Income tax paid	12.7	4.9	19.7	20.8	69.1
Cash effect adjustment related to items affecting comparability	28.6	11.6	57.2	41.6	109.3
Capex related to product development and enhancements	-30.2	-14.9	-54.2	-28.8	-55.3
Adjusted cash flow from operating activities	60.0	-19.3	270.0	136.9	423.1
Adjusted cash conversion, %	40.7%	-22.3%	84.2%	67.2%	100.3%

Net debt

MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
Borrowing from credit institutions, long term	2,257.0	1,233.2	2,483.3
Borrowing from credit institutions, short term	88.4	-	-
Leasing liabilities, long term	224.0	93.2	214.4
Leasing liabilities, short term	64.6	15.2	52.5
Cash and cash equivalents	-455.9	-981.1	-671.2
Net debt	2,178.1	360.5	2,079.0

Leverage ratio

MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
Adjusted EBITDA LTM (proforma)	610.2	388.4	582.0
Net debt	2,178.1	360.5	2,079.0
Leverage ratio	3.6	0.9	3.6

Quarterly overview

	Q2	Q1	Q4	Q3	Q2
MSEK	2023	2023	2022	2022	2022
Income statement					
Net sales	607.8	613.7	368.3	263.2	227.1
EBITDA	118.9	144.7	46.9	100.4	66.9
EBITDA margin, %	19.6%	23.6%	12.7%	38.1%	29.5%
EBITA	80.7	111.8	29.3	85.4	54.4
EBITA margin, %	13.3%	18.2%	8.0%	32.4%	23.9%
Adjusted EBITA	109.3	140.4	92.6	93.0	74.1
Adjusted EBITA margin, %	18.0%	22.9%	25.1%	35.3%	32.6%
Operating profit (EBIT)	28.9	57.3	-21.5	43.2	12.8
EBIT, margin %	4.8%	9.3%	-5.8%	16.4%	5.7%
Net financial items	-61.5	-33.3	-17.4	15.2	-6.9
Profit for the period	-26.2	18.4	-12.9	49.6	-1.0
Balance sheet					
Non-current assets	6,407.3	6,174.7	6,137.5	3,424.1	3,416.5
Current assets	1,005.4	1,376.9	1,314.2	1,094.6	1,092.0
Cash and cash equivalents	455.9	770.1	671.2	976.5	981.1
Equity	2,432.0	2,367.5	2,326.4	2,307.6	2,228.8
Non-current liabilities	3,039.0	3,285.0	3,259.6	1,581.2	1,573.6
Current liabilities	1,941.7	1,899.1	1,865.8	629.8	706.1
Total assets	7,412.7	7,551.6	7,451.7	4,518.6	4,508.5
Cash flow					
Cash flow from operating activities	17.4	167.2	169.8	11.5	-24.0
Cash flow from Investing activities	-94.9	-44.3	-1,662.8	-24.2	-26.7
Cash flow from financing activities	-278.4	-25.1	1,185.3	-5.9	-23.1
Cash flow for the period	-355.9	97.8	-307.7	-18.6	-73.8
Adjusted cash flow from operating activities	60.0	210.0	260.6	25.6	-20.0
Key ratios					
Net working capital	-936.3	-522.2	-551.6	464.7	385.9
Return on capital, %	0.4%	0.8%	-0.3%	1.0%	0.3%
Equity/asset ratio, %	32.8%	31.4%	31.2%	51.1%	49.4%
Adjusted cash conversion, %	40.7%	121.2%	236.4%	23.7%	-22.2%
Net debt	2,178.1	2,016.1	2,079.0	376.0	360.6
Share data:					
Weighted average number of ordinary shares (thousands)	107,861	107,847	107,847	107,847	107,733
Earnings per share, basic, SEK	-0.24	0.17	-0.12	0.46	-0.01
Earnings per share, after dilution, SEK	-0.24	0.17	-0.12	0.46	-0.01

Parent company statement of comprehensive income

MSEK	Q2		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
Employee benefit expenses	-8.5	-11.9	-19.5	-19.5	-7.3
Depreciations and amortisations	-0.0	-0.0	-0.0	-0.0	-0.0
Other operating income and expenses	3.2	-22.3	8.9	-42.6	0.1
Operating profit (EBIT)	-5.3	-34.2	-10.6	-62.1	-7.3
Financial income	10.5	6.2	21.3	12.2	25.9
Financial expenses	-0.2	-0.4	-0.5	-1.0	-2.5
Dividend received	45.0	-	45.0	-	-
Net financial items	55.3	5.8	65.8	11.2	23.4
Group contributions	-	-	-	-	9.2
Profit before tax	50.0	-28.4	55.2	-50.9	25.3
Tax on profit for the period	-	8.4	-1.2	8.4	-2.2
Profit for the period	50.0	-20.0	54.0	-42.5	23.1
Total comprehensive income	50.0	-20.0	54.0	-42.5	23.1

Parent company balance sheet

MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS:			
Receivables from group companies	2,340.0	1,206.6	1,181.9
Investments in group companies	1,159.2	1,157.2	1,158.1
Right-of-use assets	0.1	0.3	0.2
Deferred tax assets	-	8.4	-
Total non-current assets	3,499.3	2,372.5	2,340.2
Receivables from group enterprises	75.0	0.7	156.5
Other receivables	1.7	1.2	0.5
Current tax receivable	2.0	0.2	1.4
Cash and cash equivalents	71.7	85.5	11.5
Total current assets	150.4	87.6	169.9
TOTAL ASSETS	3,649.7	2,460.1	2,510.1
MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
EQUITY AND LIABILITIES:			
Restricted equity			
Share capital	1.7	1.7	1.7
Non-restricted equity			
Share premium	2,654.0	2,654.0	2,654.0
Retained earnings including net profit for the year	-122.6	-244.1	-177.6
Total equity	2,533.1	2,411.6	2,478.1
Lease liabilities	0.0	0.1	-
Borrowing from credit institutions	956.4	-	-
Total non-current liabilities	956.4	0.1	-
Borrowing from credit institutions	88.4	-	-
Trade payables	0.7	2.6	4.6
Trade payables from group companies	66.1	7.0	14.5
Accrued expenses	4.7	38.7	6.6
Other current liabilities	0.3	0.1	6.3
Total current liabilities	160.2	48.4	32.0
TOTAL EQUITY AND LIABILITIES	3,649.7	2,460.1	2,510.1

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 adjusted for the impact of 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.
Adjusted 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.
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.

CURRENCY RATES

	Closing rate 30 Jun 2023	Average rate Jan-Jun 2023	Closing rate 30 Jun 2022	Average rate Jan-Jun 2022	Closing rate 31 Dec 2022	Average rate Jan-Dec 2022
1 DKK is equivalent to SEK	1.5834	1.5211	1.4356	1.4079	1.4965	1.4285
1 NOK is equivalent to SEK	1.0096	1.0022	1.0314	1.0499	1.0572	1.0518
1 EUR is equivalent to SEK	11.7917	11.3271	10.6801	10.4760	11.1283	10.6274

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. The half-year report is published in Swedish and English. In case of any differences between the English version and the Swedish original text, the Swedish version shall prevail.

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 1823. 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, Echoline, Nørskov Miljø, DIBkunnskap, Legal Cross Border, Forlaget Andersen, Ante, BELLA Intelligence, 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 and EHS compliance solutions

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

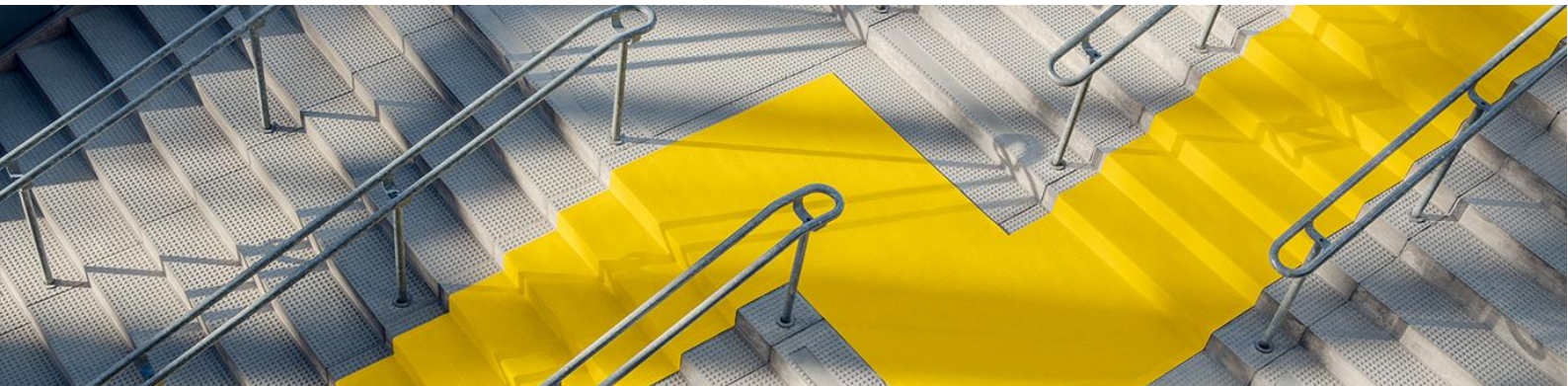
Norway: Tax and accounting online workflow tools

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.