

A high-angle photograph of a man and a woman sitting on a wooden staircase. The man, wearing a dark suit, is pointing at a laptop screen. The woman, wearing a white sweater, is looking at the screen. The staircase has a curved wooden railing and a dark wooden floor. In the background, there are several yellow vertical bars of varying heights.

ANNUAL REPORT **2023**

CLEARING
THE PATH
TO JUSTICE

 **KARNOV**
GROUP



THE CEO SETS THE SCENE

Karnov Group has indeed transformed from being a market leader in the Nordic region to a strong European player.

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A MARKET WITH CLEAR DRIVERS

Karnov Group operates in a market largely driven by increasing legal and regulatory complexity.

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CONTRIBUTES TO THE RULE OF LAW

Karnov's major contribution to a sustainable society.

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Karnov Group

Mission-critical solutions for legal professionals

Karnov Group has a history dating back to 1823, with a belief that access to the law is fundamental to any democracy based on the rule-of-law. Karnov provides mission-critical knowledge and workflow solutions for legal, tax and accounting, and environmental and health protection professionals across Europe. Through content developed by over 7,000 renowned authors and experts, Karnov delivers knowledge and insights that enable over 400,000 users to make better decisions faster - every day.

KARNOV GROUP IN BRIEF

- ▶ Mission-critical solutions for legal professionals.
- ▶ The services are primarily available digitally with a high degree of subscription-based customer agreements.
- ▶ Publishes printed books and journals and hosts legal training courses.
- ▶ Customers are mainly law firms, accounting and auditing firms, corporations, and the public sector such as courts, universities, authorities, and municipalities.
- ▶ Karnov Group creates growth through the development of new regulatory areas (verticals) and through acquisitions.
- ▶ Listed since 2019 on Nasdaq Stockholm.

BETTER DECISIONS, FASTER

Find what you are looking for, trust what you find and do it quickly.

400,000+

USERS IN SIX COUNTRIES

7,000+

EXPERTS

>1,200

EMPLOYEES

2,475 MSEK

NET SALES

4.3%

ORGANIC GROWTH

488 MSEK

ADJUSTED EBITA












The EU legislation continues to influence a significant part of the Member States' laws and regulations.

Significant events in 2023

STRONG GROWTH AND PROFITABILITY IN REGION NORTH

The operations in Denmark, Sweden and Norway continued to grow profitably in 2023. The growth was driven by increased demand for our services, from both existing and new customers, and the profitability remained high. The focus is on increased customer value, profitable growth and margin improvement.

📖 Read more about Region North on page 26.

INTEGRATION AHEAD OF PLAN IN REGION SOUTH

The operations in France, Spain and Portugal generated a financial result in line with expectations in 2023. The merger of the two Spanish operations has progressed ahead of schedule and will proceed in 2024, with the aim of reducing the cost base by EUR 10 m on annual run-rate basis. In France, the focus was on developing the product portfolio, to create the conditions to become the fastest growing player in the market in the medium term.

📖 Read more about Region South and the integration on page 28.

CEOS OF THE REGIONS APPOINTED

Alexandra Åquist was appointed as CEO of Region North and Guillaume Deroubaix as CEO of Region South. The decisions have been made to ensure the right conditions for continued European growth and to maintain a strong focus on developing the regional operations.

COMPLETED REFINANCING

An agreement on new credit facilities of 270 MEUR was signed to refinance existing loans.

PROFITABLE GROWTH STRATEGY AND UPDATED FINANCIAL TARGETS LAUNCHED

Karnov presented its profitable growth strategy and updated financial targets at the Company's first Capital Markets Day.

📖 Read more about the updated financial targets on page 12.

FIRST GENERATIVE AI SOLUTION FOR LEGAL PROFESSIONALS LAUNCHED

Karnov's first generative AI (Artificial Intelligence) solution for legal professionals, K+ Smart Chat, was launched. The solution was integrated on the legal information platform in Region South.

📖 Read more about Karnov's AI strategy and how AI can create more customer value on page 22.

EVENTS AFTER THE END OF THE PERIOD

Acceleration Initiative for further customer value and improved profitability

Karnov Group launched in the beginning of 2024 an initiative to create more customer value and accelerate the company's profitable growth strategy. The intention is to generate additional cost efficiencies of EUR 10 m on annual run-rate basis within the Group with full effect by the end of 2026.

Multi-year overview

MSEK	2023	2022	2021	2020	2019
Income statement					
Net sales	2,475	1,113	878	771	757
EBITDA	524	313	325	321	251
EBITDA margin, %	21.2%	28.1%	37.0%	41.7%	33.2%
EBITA	370	254	278	276	206
EBITA margin, %	15.0%	22.8%	31.6%	35.8%	27.2%
Adjusted EBITA	488	364	327	288	279
Adjusted EBITA margin, %	19.7%	32.7%	37.2%	37.4%	36.8%
EBIT	156	79	116	131	80
EBIT, margin %	6.3%	7.1%	13.2%	17.0%	10.6%
Net financial items	-116	-17	-21	-10	-70
Profit for the year	37	60	84	100	3
Balance sheet					
Non-current assets	5,957	6,138	3,337	2,952	3,049
Current assets*	976	1,189	1,185	737	349
Cash and cash equivalents	451	671	951	553	52
Equity	2,337	2,326	2,154	1,551	1,527
Non-current liabilities	2,775	3,260	1,530	1,480	1,117
Current liabilities*	1,820	1,740	838	658	755
Total assets	6,933	7,326	4,522	3,689	3,399
Cash flow					
Cash flow from operating activities	337	276	314	379	137
Cash flow from Investing activities	-221	-1,740	-386	-112	-271
Cash flow from financing activities	-338	1,152	468	235	-19
Cash flow for the period	-222	-312	396	502	-153
Key ratios					
Equity ratio, %	33.7%	31.8%	47.6%	42.0%	44.9%
Cash conversion, %	76.0%	100.2%	92.0%	124.0%	88.6%
Net debt **	1,756	1,812	457	743	861
Share data					
Earnings per share before dilution, SEK	0.34	0.56	0.87	1.02	0.03
Weighted number of shares before dilution, thousands	107,862	107,847	97,862	97,671	84,434

* Current assets and current liabilities are for 2023 and 2022 stated in accordance with full implementation of IFRS 15 (see note 2). 2019-2021 has not been restated.

** Net debt has for all years above been aligned with the updated leverage target of October 5, 2023 excluding lease liabilities from net debt.

A successful year and new profitable growth strategy launched

2023 was a successful and transformative year, with solid net sales growth and robust margins. We achieved an organic growth of 4% and the adjusted EBITA margin was 20%. The Region South integration progressed ahead of plan with harvested synergies. We launched our profitable growth strategy with updated financial targets and launched our first generative AI solution. 2024 is the year we launch our Acceleration Initiative across the Group to enhance our mission-critical solutions for our customers and improve profitability.

MISSION-CRITICAL SOLUTIONS FOR LEGAL PROFESSIONALS

2023 was a year marking increased macroeconomic and geopolitical turbulence, as well as human suffering. It is therefore with humility that I note that 2023 was another solid year for Karnov Group. Thanks to our solid business model, we are unaffected by economic fluctuations and continues to evolve and deliver mission-critical value to our clients. Our stability is partly due to our strong position in an attractive and growing segment characterised by stable and non-cyclical customers and a steady growth rate. Approximately 85 percent of our revenues are subscription-based and with a renewal rate of over 90 percent, we are enabling stable cash flow generation that will allow Karnov to put another strong year behind.

REGION SOUTH INTEGRATION AHEAD OF PLAN

2023 was the first year in Karnov's history as a European local player. At the end of 2022, we initiated our integration of Region South. During 2023, we have progressed ahead of plan. We are ahead of plan both in terms of content migration as well as IT carve-out in Spain. More than 50% of the Aranzadi content is now migrated onto the common content platform, and the first Aranzadi product, Siapol, is live on the common tech platform. Decoupling of IT structure from one of the sellers has also been completed. In France, we are progressing in the turn-around to become a profitably growing business. Overall, we are pleased with the development in Region South. Synergies have been harvested according to plan and at the end of 2023, we have harvested synergies on an annual run-rate basis of EUR 2 m. We are in line with our plan to harvest synergies of EUR 7.5 m on an annual run-rate basis by the end of 2024 and synergies of EUR 10 m on an annual run-rate basis by the end of 2026.

|| Karnov Group has indeed transformed from being a market leader in the Nordic region to a strong European player.

REGION NORTH DELIVERS STRONG GROWTH

Region North has grown strongly during the year, outpacing underlying market trends. We will continue to consolidate our position in the Nordics where we are a central partner to the legal systems and professionals. Karnov Group has been delivering high quality and reliable solutions to our clients for 200 years and we will continue to focus on meeting our clients' needs to provide the highest quality to the best possible user experience that effectively supports their workflow. During 2024, we will launch our generative AI solution in the Nordics.

PROFITABLE GROWTH

In 2023, the organic growth was 4.3% on constant currency basis, in line with our financial target. The Group's turnover increased by 122.2% of which acquired growth (Region South) represented 114.5% and currency effects represented 3.4%. Growth in the Nordic region was primarily driven by increased sales to existing customers and the realisation of business opportunities with new customers, mainly among municipalities, in the EHS vertical and the public sector. It is gratifying to see the demand for our mission-critical solutions growing and we intend to continue to increase customer value investing in generative AI. Adjusted EBITA amounted to SEK 488 million. The adjusted EBITA margin was 19.7% at Group level. Our financial target is an adjusted EBITA margin in excess of 25% medium-term in excess of 30% long-term. Thanks to our cash flow generation, leverage has decreased to 2.8x, below our financial target. We are using the free cash flow to invest in the Region South integration and our recently launched Acceleration Initiative to harvest synergies for improved profitability.

ACCELERATION INITIATIVE FOR FURTHER CUSTOMER VALUE AND PROFITABLE GROWTH

2023 was a successful and transformative year for Karnov Group. We advanced our positions and expanded our mission-critical solutions to our customers. A new profitable growth strategy was set with updated financial targets, which we presented on our first Capital Markets Day in October. The integration project in Region South progressed, and is still progressing, ahead of plan and we launched new innovations with focus on AI for greater customer value.



Stockholm on March 22nd, 2024
Pontus Bodelsson, President and CEO

2024 is the year we launch our Acceleration Initiative. We are encouraged by the successful merger in Spain and the new opportunities a technical shift enables. We now launch the Acceleration Initiative to generate further customer value as well as efficiencies across the rest of the Group. The Acceleration Initiative shall generate an additional 10 EUR m in cost-efficiencies with full effect on run-rate basis by the end of 2026. Cost-to-achieve is estimated to EUR 14 m.

In parallel, the Region South integration, with the ambition of achieving cost-efficiencies of EUR 10 m on an annual run-rate basis by the end of 2026, will continue as planned.

In total, we thereby plan to achieve cost-efficiencies within the Group of EUR 20 m on an annual run-rate basis by the end of 2026. Cost-to-achieve is estimated to EUR 38 m.

FINAL WORDS


I would like to conclude by thanking all our employees, authors, experts, customers and shareholders who have all contributed to Karnov's strong performance this year and its position as a leading provider of mission-critical legal knowledge solutions. We look forward to continuing to assist our customers and be responsive to their needs, and to deliver on our two cost-efficiency initiatives across the Group. Karnov Group has indeed transformed from being a market leader in the Nordic region to a strong European player. I look forward to the profitable growth journey that comes with it, as well as consolidating our position as a leader in our European local markets. Thank you.

KARNOV GROUP

as an investment


A LONG HISTORY IN CONTRIBUTING TO A SOCIETY BASED ON THE RULE OF LAW

Karnov Group has for more than 200 years provided mission-critical proprietary content to European legal professionals, thereby contributing to a society built on the rule of law and clearing the path to justice. The solutions are developed with more than 7,000 legal experts across Europe.

 [Read more about the offer, page 22.](#)


NON-CYCLICAL BUSINESS MODEL WITH PREDICTABLE CASH FLOW

With local brands, Karnov has a strong position in an attractive and growing segment with a highly non-cyclical and financially resilient stable customer base in both the private and public sectors. The Group's business model is approximately 85 percent subscription-based revenues, enabling a strong and predictable positive cash flow. The average annual organic growth has been 5 percent over the last five financial years.

 [Read more about the market, page 18, financial targets, page 12 and our revenue model, page 17.](#)

CLEAR DRIVERS FOR CONTINUED DEMAND

Macro trends are leading to an increasingly complex and rapidly changing regulatory environment, increasing the need for Karnov's services. The underlying drivers enable continued organic growth. Growth opportunities are also explored through selective valueaccretive acquisitions to expand into closely related business areas, expanding the product portfolio or to enter new geographical markets.

 [Read more about the strategies, page 14 and the market, page 18.](#)

MISSION-CRITICAL SERVICES REPRESENT A LOW SHARE OF CUSTOMERS' OPERATING COSTS.

Karnov's services and products are mission-critical to the Group's customers but represent a low proportion of their operating costs while demonstrating significant value through improved efficiency and certainty of customer workflows

 [Read more about Karnov's product portfolio on page 22.](#)

HIGH INNOVATION CAPACITY WITH PROVEN VALUE CREATION

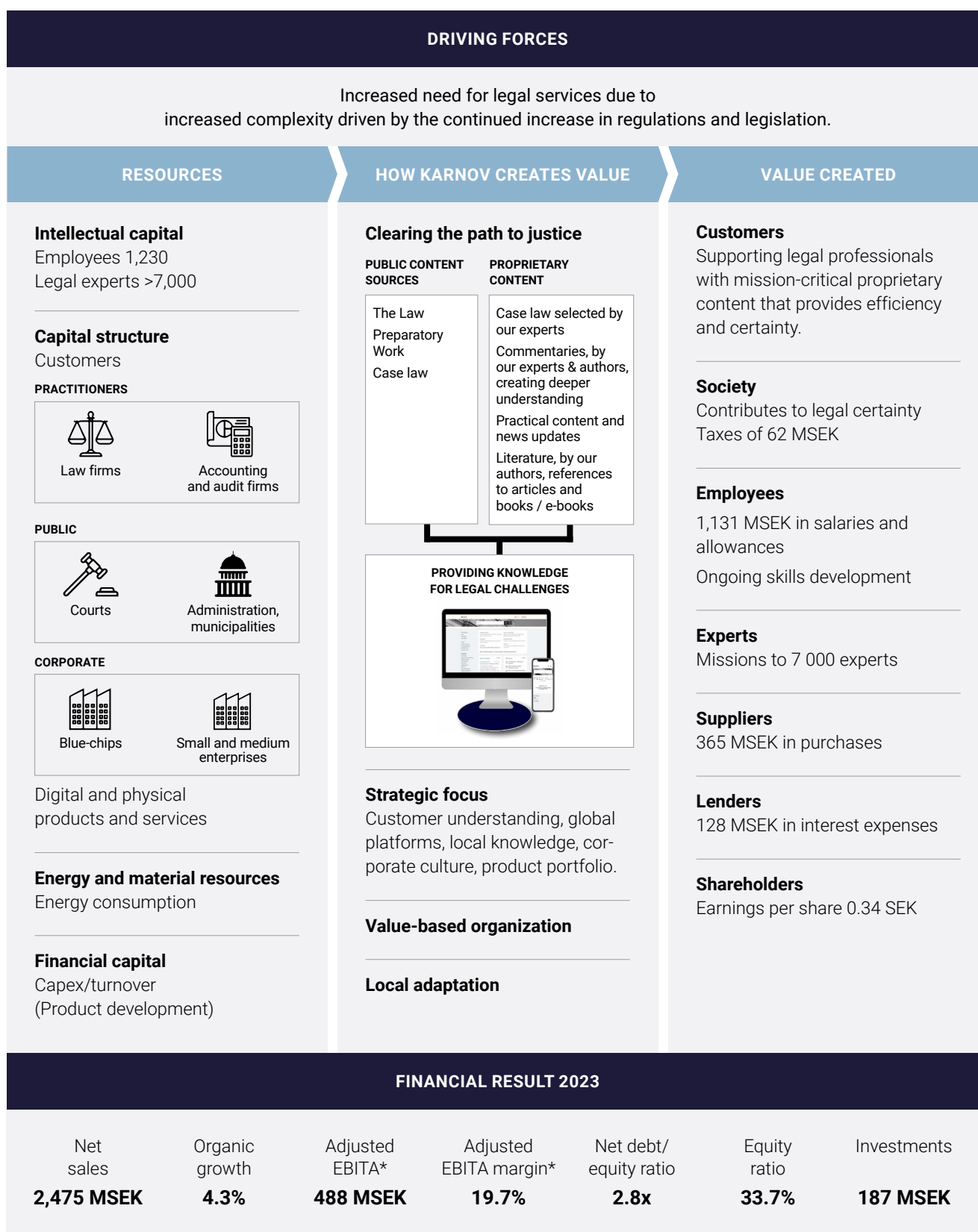
Karnov has consistently used technology to develop its services. Innovations add customer value and enable annual price adjustments. Generative AI creates new opportunities making use of the content of the Group's databases. Thus, generative AI is also expected to contribute positively to the Group's organic growth in the future.

 [Read more about technology development, page 22 and the capital allocation strategy, page 17.](#)



*Karnov Group's long history in a non cyclical
and growing judicial environment create
the basis for expanding business*

Karnov Group's value model



* Alternative performance measure. See financial definitions on page 110 for more information.

Business concept



Karnov Group will make available and facilitate the interpretation of current legislation and regulations and provide workflow tools for increased efficiency to practicing lawyers and other regulatory interpreters, in law firms, the judiciary and public administration as well as companies, in European countries applying civil law.

Vision



FIRST CHOICE IN LEGAL KNOWLEDGE

We are the first choice for legal knowledge through premium content, customer centricity and innovation.

Mission



CLEARING THE PATH TO JUSTICE

We build trust with European societies and communities.



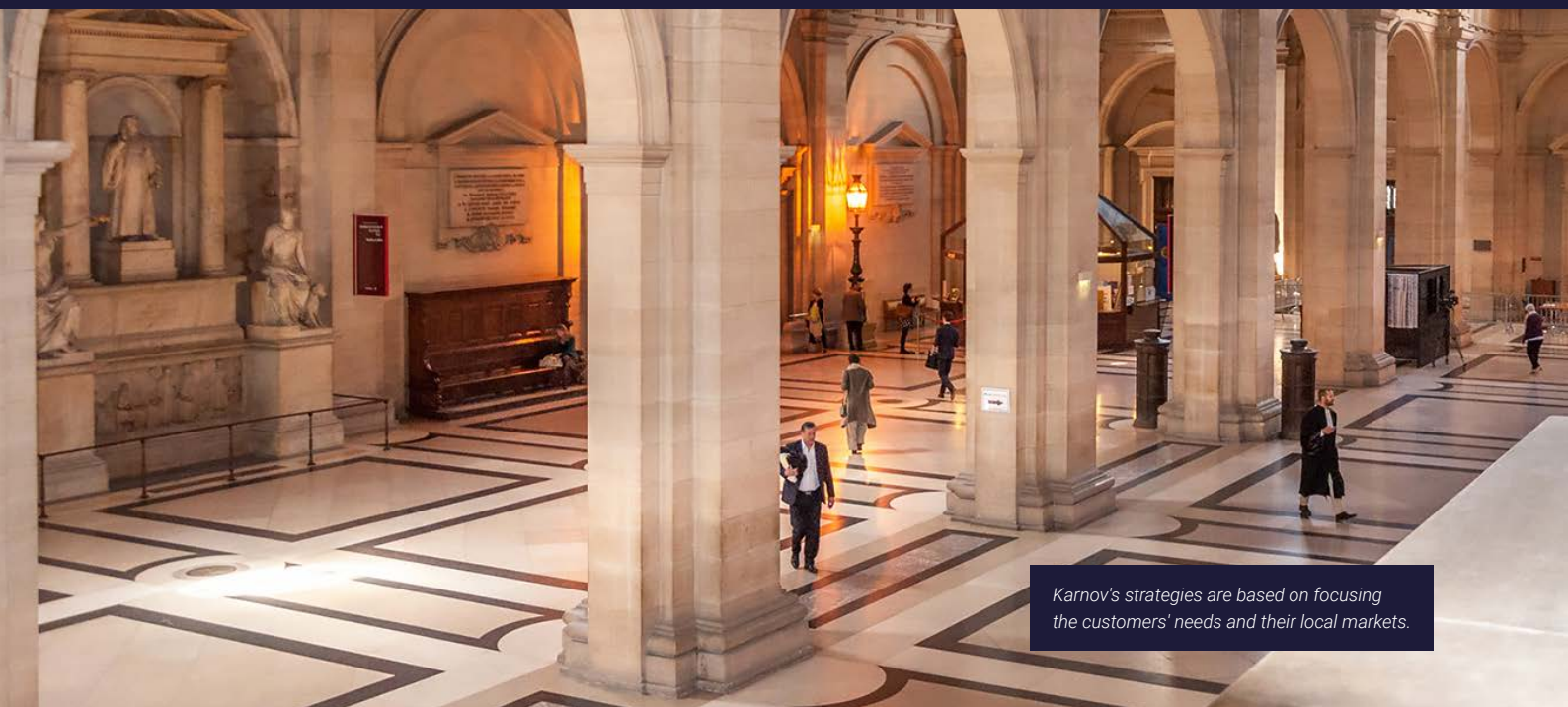
Financial targets

The Board of Directors of Karnov Group updated in 2023 the three financial targets and a dividend policy. In adopting the financial targets, the Board of Directors has considered the underlying market development and the company's ability to create additional business-critical benefits for the company's existing and future customers.

OBJECTIVES	OUTCOME 2023	MULTI-YEAR OVERVIEW																		
<div>4-6%</div> <div>ORGANIC NET SALES GROWTH</div> <div>In the medium term, complemented by selective acquisitions.</div>	<div>4%</div>	<table><thead><tr><th>Year</th><th>Net sales</th><th>Organic net sales growth, %</th></tr></thead><tbody><tr><td>2019</td><td>750</td><td>4.0%</td></tr><tr><td>2020</td><td>700</td><td>2.0%</td></tr><tr><td>2021</td><td>900</td><td>6.0%</td></tr><tr><td>2022</td><td>1100</td><td>8.0%</td></tr><tr><td>2023</td><td>2400</td><td>4.0%</td></tr></tbody></table>	Year	Net sales	Organic net sales growth, %	2019	750	4.0%	2020	700	2.0%	2021	900	6.0%	2022	1100	8.0%	2023	2400	4.0%
Year	Net sales	Organic net sales growth, %																		
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2022	1100	8.0%																		
2023	2400	4.0%																		
<div>25%</div> <div>ADJUSTED EBITA MARGIN</div> <div>in the medium term</div> <div>30%</div> <div>ADJUSTED EBITA MARGIN</div> <div>in the long term</div>	<div>20%</div>	<table><thead><tr><th>Year</th><th>Adjusted EBITA</th><th>Adjusted EBITA margin, %</th></tr></thead><tbody><tr><td>2019</td><td>280</td><td>38.0%</td></tr><tr><td>2020</td><td>290</td><td>40.0%</td></tr><tr><td>2021</td><td>330</td><td>36.0%</td></tr><tr><td>2022</td><td>370</td><td>32.0%</td></tr><tr><td>2023</td><td>480</td><td>24.0%</td></tr></tbody></table>	Year	Adjusted EBITA	Adjusted EBITA margin, %	2019	280	38.0%	2020	290	40.0%	2021	330	36.0%	2022	370	32.0%	2023	480	24.0%
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<div><3.0x</div> <div>NET DEBT TO ADJUSTED EBITDA RATIO</div> <div>(excluding lease liabilities) This level may temporarily be exceeded, for example following acquisitions.</div>	<div>2.8x</div>	<table><thead><tr><th>Year</th><th>Net Debt to Adjusted EBITDA ratio</th></tr></thead><tbody><tr><td>2019</td><td>2.6x</td></tr><tr><td>2020</td><td>2.1x</td></tr><tr><td>2021</td><td>1.0x</td></tr><tr><td>2022</td><td>3.0x</td></tr><tr><td>2023</td><td>2.8x</td></tr></tbody></table>	Year	Net Debt to Adjusted EBITDA ratio	2019	2.6x	2020	2.1x	2021	1.0x	2022	3.0x	2023	2.8x						
Year	Net Debt to Adjusted EBITDA ratio																			
2019	2.6x																			
2020	2.1x																			
2021	1.0x																			
2022	3.0x																			
2023	2.8x																			
<div>30-50%</div> <div>IN DIVIDEND OF THE ANNUAL NET PROFIT</div> <div>Proposals on dividends shall take Karnov Group's investment opportunities and financial position into consideration.</div>	<div>Karnov Group intends to use the free cash flow to invest in the Group's new initiatives for profitable growth. The Board of Directors proposes no dividend at the Annual General Meeting on May 8, 2024.</div>																			



The District Court in the Swedish province Hälsingland is one of a large number of local courts where the rule of law is upheld.



Strategy

MEDIUM-TERM STRATEGIC FOCUS

- Talent and culture
- Common IT infrastructure
- Taking the AI leap
- Profitable growth

PROFITABLE GROWTH

To grow while maintaining premium services, Karnov is focusing on developing its offering in three focus areas: growth through verticals, geographical expansion and acquisitions. The growth areas intend to strengthen Karnov's core business in new and existing markets.

- Extension to other regulated areas (verticals)

Karnov is growing by meeting the increasing need for access and interpretation of related regulatory areas. Regulation and compliance are increasing in a wide range of areas; environmental and health protection (EHS), ESG (sustainability), IT regulation, mergers and acquisitions, bankruptcy law, pharmaceutical law and public sector. Opportunities to expand into new client groups may also involve venturing into additional verticals within municipalities, such as healthcare, social security, financial markets, tax and customs, and additional legal areas of compliance.

- Geographical expansion

Karnov intends to capitalize on its position in its home markets and conduct geographic expansions. This includes providing the Group's digital legal database in additional countries, expanding internationally with services for interna-

tional law and taking advantage of opportunities to transfer existing service and platform solutions to other countries within the Group. A geographical expansion refers to countries that constitute their own language areas and countries in which the company believes it can take a broad and strong market position and offer all its products and services.

- Acquisitions

Karnov has developed a structured process to identify, evaluate and integrate strategic acquisitions that create market presence in new geographical markets and/or customer segments and strengthen Karnov's offering to existing customers. Potential acquisition targets are divided into three categories: market acquisitions, vertical acquisitions and technology acquisitions.

Market acquisitions include leading providers of legal information systems in new geographic markets and aim to acquire strong market positions in new markets where organic entry is not possible due to a strong need for locally tailored content. The recent acquisition of Region South is an example of this.

Vertical acquisitions aim to expand product offerings into new regulatory areas or to strengthen existing offerings by integrating others' products and services onto one of Karnov's platforms. An example of this is the acquisition of DIBkunnskap AS in 2021.

Technology acquisitions are acquisitions which supplements the company's digital platform, such as automation tool providers. These acquisitions aim to strengthen Karnov's offering to existing customers through improved workflow efficiency and platform functionality.



M&A ACTIVITIES THE PAST TEN YEARS

2023

Acquisition of Nørskov Miljø ApS (now Notisum ApS), a Danish market-leading provider of EHS compliance solutions.

2021

Acquisition of DIBkunnskap AS, a market-leading provider of digital workflow tools for tax and accounting in Norway. Technology acquisitions of Onlaw ApS, Ante ApS and BELLA Intelligence ApS in Denmark. Geographic expansion into France through the acquisition of Echoline SAS, a provider of regulatory compliance solutions in EHS.

2019

Minority investment in the legal start-up Procurement-Link ApS.

2017

Acquisition of the Danish publishing and education company Forlaget Andersen A/S and investment in the Danish legal start-up Legal Cross Border ApS.

2013

Acquisition of Magnus Informatik from Wolters Kluwer, which strengthened the presence in the tax and accounting market in Denmark.

2022

Geographic expansion through the acquisition of legal information businesses from Thomson Reuters in Spain and Wolters Kluwer in Spain, Portugal and France.

2020

Launch of offering in the legal practice management vertical through the new company LEXNordics AB. Minority investment in Karnov Group Norway AS, which offers legal solutions.

2018

Acquisition of Norstedts Juridik, a leading provider of legal information solutions in Sweden, from Wolters Kluwer. Minority investment in the legal start-up BELLA Intelligence ApS.

2016

Acquisition of Notisum AB in Sweden to build presence in environmental, health and safety (EHS) vertical.

MARGIN IMPROVEMENT

Karnov's financial target is to achieve an adjusted EBITA margin of 25 percent in the medium term and 30 percent in the long term. Measures are taken to reach the financial target. Synergies are exploited in Region South and business flows are optimized in Region North. Joint product development within the Group is also part of the ambition is to achieve economies of scale over time.

Cost synergies from the acquisition of Region South

Karnov is currently integrating the new operations in Region South. The brand strategy is based on operating through the established local/regional brands while clarifying the connection to the Karnov Group. Karnov shares its expertise in all markets to achieve increased knowledge sharing within the Group and to create additional customer value.

Karnov will reduce the cost base in Region South by EUR 10 m with full effect on a running annual basis from the end of 2026. Already by the end of 2024/2025, synergies of EUR 7.5 m are expected to be realized on a running annual basis. The efficiencies are expected to come from gathering all content on a common technical platform in Region South, merging the two Spanish organizations and automating internal processes using AI.

Acceleration Initiative for further customer value and improved profitability

Karnov is progressing ahead of plan in the Region South integration, and cost-synergies are being harvested as expected. Encouraged by the successful merger and synergies so far realised in Spain, we are now accelerating the integration to the rest of the Group. The Acceleration Initiative will enable Karnov Group to generate even greater customer value, while also advancing our profitable growth strategy. The Acceleration Initiative shall generate annual

cost-efficiencies of EUR 10 m within the Group, with full effect on run-rate basis by the end of 2026. The cost-efficiencies are intended to be achieved from product rationalisation, process streamlining, consolidation of offices and harmonisation of IT infrastructure.

Economies of scale in joint product development

Karnov's ambition is to achieve economies of scale over time through joint product development within the Group. In the long term, Karnov intends to evaluate investment in a common technical platform for all Group companies, which will accelerate the technical development within the Group and contribute to additional customer benefits. Karnov also intends to automate further processes using AI, which is expected to contribute to further profitability.

DEEPENING CUSTOMER UNDERSTANDING

The focus is on supporting the customers in their challenges and opportunities in the future, combined with in-depth segment expertise to increase customer value and loyalty.

KEEPING A LOCAL FOCUS

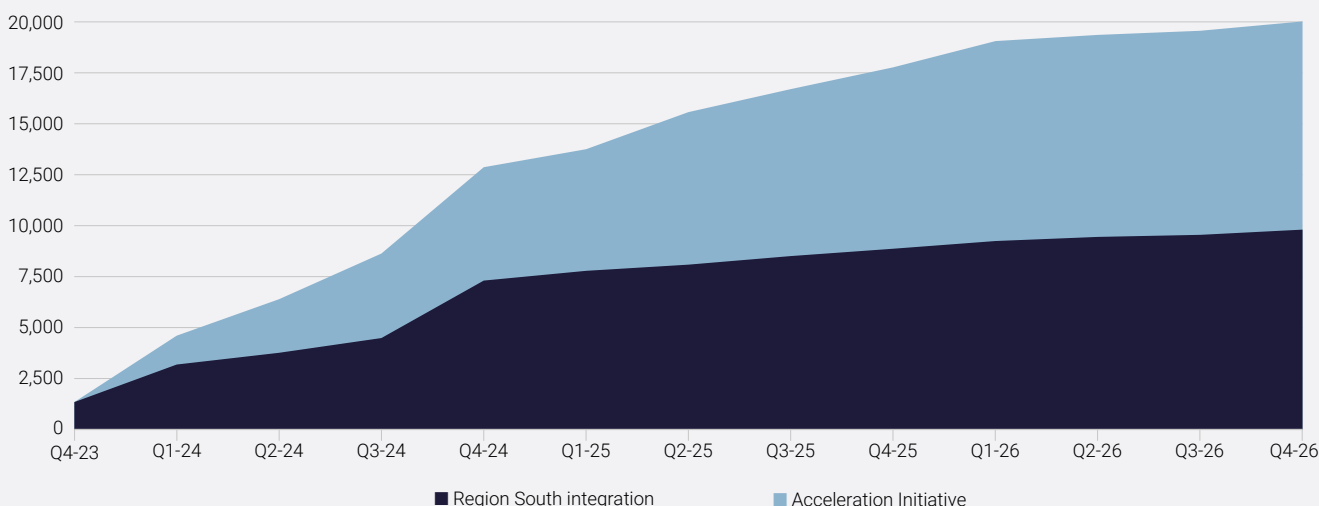
For absolute relevance and security, proprietary and localized content is essential. It is also the prerequisite for reliable AI solutions.

OPTIMIZING THE PRODUCT PORTFOLIO AND CREATING GLOBAL PLATFORMS

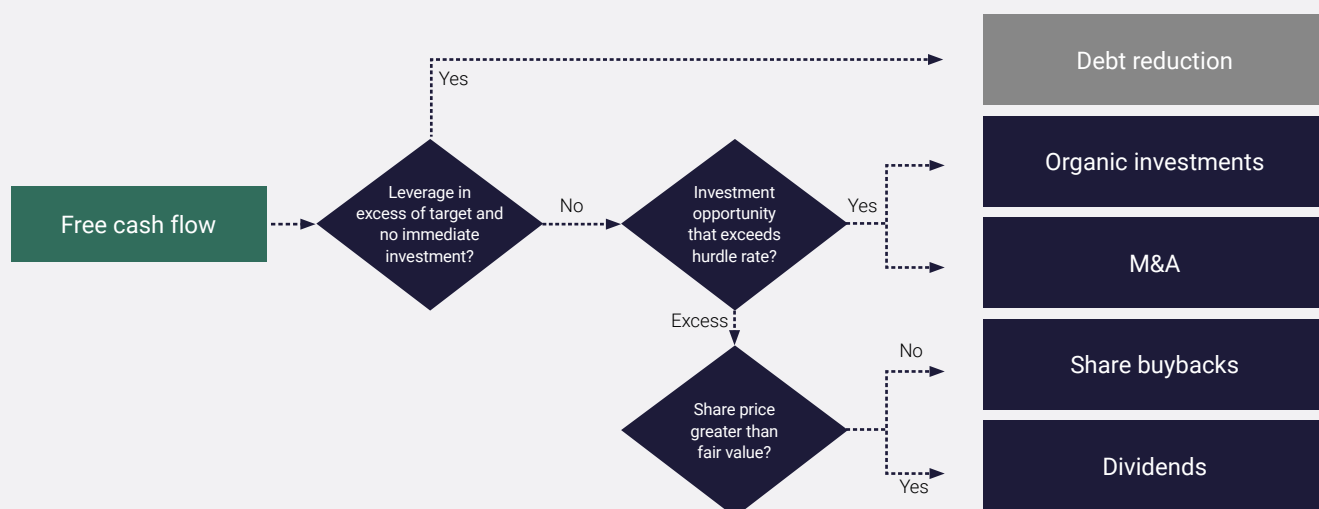
Optimization of the product portfolio is currently primarily based on the integration of operations and solutions. Current regulatory areas (verticals) can be supplemented with smaller acquisitions. Work is also underway to create Group-wide technology platforms to create synergies in development and operation.

Cost synergies effect from ongoing initiatives

The cost efficiencies of EUR 20 m will come progressively over the period



Timeline of how synergies from the Region South integration and Acceleration Initiative are assessed to be harvested on annual run-rate basis.



Decision flow in the allocation of the free cash flow.

BUILDING A COMMON CULTURE

In recognizing that a strategy without a supportive culture is weak, while a culture without a strategy has no goal, the work on creating a common corporate culture is done with the aim of attracting and retaining the best talent.

BUILDING ON EXPERIENCE

Further integration and exploitation of synergies is also supported by the experience gained from previous acquisitions and mergers.

CAPITAL ALLOCATION

Karnov's business model is mainly based on subscription-based revenues, which are invoiced annually and paid in advance. This generates strong free cash flow to invest. Karnov has a structured process for capital allocation, see graph above.

REVENUE MODEL

Customers typically pay upfront for Karnov's online services and subscription annually. Agreements are typically extended for one year at a time unless the customer actively terminates the agreement. Subscription-based products and services are accrued and recognized over the term of the subscription.

Subscription-based contracts are negotiated individually with each customer as volume-based discounts may be provided in some cases.

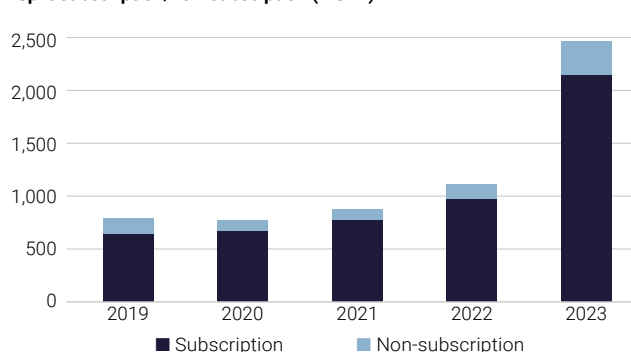
Target groups

Karnov offers its solutions and services to lawyers, in-house counsel, auditors, tax advisors, consultants, academics, judges and civil servants, among others.

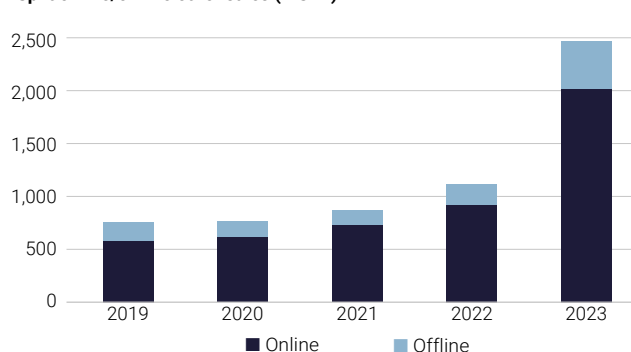
Marketing and sales

Brand and service awareness is achieved through several channels - digital interactive advertising, active outreach, industry reports such as "The Lawyer of the Future" in the Northern Region and its equivalents in the Southern Region, collaboration with renowned experts who contribute to the Group's content offering. Local subsidiaries often cooperate with universities to provide law students with access to content and guidance throughout their education. Existing customer relationships are managed through key account managers. Training on online tools also creates natural customer interaction.

Split subscription/non-subscription (MSEK)



Split online/offline other sales (MSEK)





A European market with clear drivers

Karnov Group operates in a market largely driven by increasing legal and regulatory complexity.

Karnov is active in the European market for knowledge and information services in the areas of law, tax and accounting, and environmental and health protection.

The market can also be referred to as "legal intelligence" in terms of content and legal tech(nology), i.e. online services. Karnov offers its services and products to countries that apply civil law (as opposed to Anglo-American common law). In addition, Karnov has a portfolio of legal start-ups with growth potential.

WIDE RANGE OF USERS

Karnov's customers consist of three segments: advisors, the corporate and public sectors.

Practitioners consist of law firms and accounting firms, whose employees are mainly lawyers and/or accountants.

Corporate users consist of legal advisors working in companies.

The public sector consists of e.g. lawyers or civil servants, e.g. social workers, working in courts, authorities, academia and/or municipalities.

The type of service among law firm employees depends on seniority. Junior staff members tend to use more information and background/analysis services as they do much of the research in the assignments, while work tools and training are more widely used.

Non-cyclical market

Karnov's customers are highly non-cyclical and financially resilient, creating a continuous demand that is not affected by economic fluctuations.

Low share of operational costs

The services and products offered by Karnov represent an overall low share of customers' operating costs, while demonstrating significant value through improved efficiency and certainty of customer workflows.

Low customer turnover

The market for information services is mature and is characterized by long customer relationships between suppliers and users where the need for business-critical services is high. Approximately 97 percent of the customers in Region North renew their subscriptions annually to Karnov's services, while the corresponding figure is approximately 90 percent in Region South. Karnov's 20 largest customers in Region North in terms of number of purchased licenses have all annually renewed their licenses for more than 20 years.



MACRO TRENDS

Macro trends are driving increasingly complex and rapidly changing legislation. Lawyers and other advisers need information tools to orient themselves in a changing regulatory landscape.

Globalization

International relations and trade continue to create a proliferation of regulatory and contractual solutions and interpretations.

Accountable democracies require effective rule of law

The continued enforcement of the rule of law is a cornerstone of a functioning civil society and democracy.

Increased focus on sustainability

An increased focus on sustainability is creating greater demands for increasingly formalized governance and reporting across its entire spectrum: environmental, social and governance (ESG).

Continued digitalization

Digitalization continues in automation and streamlining of workflows to replace the lawyers' time fully or partially in simple legal tasks. AI solutions are increasing, both in legal interpretation and application but also as an area of increasing regulation.

Increasing IT security

As the amount of information and work documents are digitized, the risk of both illegal access and failing IT infrastructure increases.

LEGISLATION AND REGULATION

Increasing complexity of legal tasks

One of the main challenges is the large amount of legislation, regulation and case law that is increasingly burdensome for individual lawyers to understand and manage. Lawyers need effective information services and tools that allow them to keep up to date with the latest sources of law and to consider and analyze the vast amounts of information available and relevant to their work.

The legislative pace

Changes in legislation drive the need for updated information and legal commentary.

Specialization

The clients of larger law firms often require the law firms to be specialized, which affects the firms' purchasing decisions and drives the cost of products and services that facilitate an in-depth understanding of the law.

Increased regulation

Increased non-legislative regulation is taking place in areas such as occupational health and safety (OHS), sustainability management, and accounting, which also affects other user groups.

New regulatory areas

Legislation and regulation are increasing in previously low-regulated areas, e.g. introduction of the General Data Protection Regulation (GDPR). A current issue is the increasing use of AI - artificial intelligence - where the EU has proposed a regulation on artificial intelligence ("the Artificial Intelligence Act").

REGION NORTH IS A MORE HOMOGENEOUS MARKET	REGION SOUTH IS A MORE DIVERSE MARKET
User base Karnov has more than 100,000 users on its platforms in Region North. Karnov is the overall market leader in Denmark and Sweden in the legal information market.	User base Karnov has more than 300,000 users on its platforms in the Southern Region. Karnov is the overall market leader in Spain and the market leader in labour law in France.
Offering Broad portfolio of online and offline products in legal information, tax and accounting, and EHS.	Offering Broad portfolio of online and offline products in legal information and EHS.
Channels Karnov's customers in Region North have a high acceptance of digital solutions and digital distribution channels.	Channels Karnov's customers in Region South have a high acceptance of digital solutions and digital distribution channels.

INCREASED EFFICIENCY

The need for digital tools and services is expected to increase due to demands for greater efficiency. There are differences in the adoption of IT and digital products and services. In general, maturity is highest in the corporate sector, lowest among law firms and varies in the public sector depending on the area. The UK and US markets have historically been five years ahead of the European in terms of acceptance and use of new technology.

BILLION-DOLLAR MARKET WITH POTENTIAL AND GROWTH

Region North, SEK 2.1 billion, 2.4% CAGR

The market value in the Nordic region, Denmark, Sweden and Norway, amounted to approximately SEK 2.1 billion in 2022, of which approximately SEK 1.7 billion online and approximately SEK 0.4 billion offline.

The annual market growth is estimated to be 2.4 percent in the medium term. The Nordic market is characterized by a comparatively high degree of consolidation with fewer players.

Region South, SEK 15.3 billion, 2.0% CAGR

The market value of Karnov's Region South amounted to SEK 15.3 billion in 2022 and is expected to grow by nearly 2.0 percent annually in the medium term.

Potential

As described in the growth strategies (page 14), Karnov believes that there is a potential for increased revenues in several areas within the existing geographical footprint;

Increased market presence - by the acquisition of Aranzadi and LA LEY in Spain and Portugal and Lamy Liaisons in France.

Stronger product portfolio with synergies within the group - cross-country sales using existing service platforms, streamlined business administration.

In Spain, Karnov will have the broadest product portfolio in the market as the operations from Aranzadi and LA LEY are coordinated, and more customer groups are reached. The French product portfolio can be expanded with customization of services.

New services and/or regulatory areas (verticals) characterized by a high degree of regulation - e.g. the growing regulation in EHS, environmental and health protection, driven by EU directives and regulations.

More users of the services - horizontal legal and compliance solutions to all professionals within a company, e.g. in EHS.

New customer groups - as new regulatory areas (verticals) are added to Karnov's information services, the type of user groups can be expanded. Growth potential is considered to exist primarily in the corporate and public sectors.

Product development - e.g. development of self-service regulatory compliance tools utilizing the Group's content and knowledge base. Services that are scalable, can be sold without unique customization. Product development is facilitated by closely observing the UK and US markets, which are ahead in terms of supply.

Acquisition-driven - acquisition of fully developed online services that are scalable, i.e. can be sold/applied without unique customization.

¹ CAGR, Calculated Average annual Growth Rate

² Market study conducted by CIL in 2021.

MARKET PLAYERS

The markets in southern and central Europe are characterized by a comparatively low degree of consolidation with more players on the supply side.

Distributors of publicly available information

Freely available information and reference materials on legal texts and cases are becoming more common, more sophisticated, and thus more attractive. They tend to be used mostly by small law firms which are more sensitive to costs. However, market value and growth indicate that the market for qualified information services for law and other regulated areas is very real. However, it is considered unlikely that free channels will affect medium and large law firms that use paid services to a greater extent.

Relevant peers

The following companies are considered peers of Karnov (listed companies with similar operations and business models). Companies that refine and provide information and tools to B2B customers with high demands on content and efficiency-enhancing services. Consequently, pure tech companies that are not responsible for content are not considered as peers.

Listed operators include following:

RELX Group, global provider of information-based analysis and decision-making tools for professional and business customers. RELX serves customers in over 180 countries through mainly subscribed solutions and has branches in approximately 40 countries. Main listing on the London Stock exchange.

Thomson Reuters, provider of business information services and highly specialized, subscription-based, information-enabled software and tools for legal, tax and accounting professionals and the world's most global news service - Reuters. Listed on the NYSE.

Wolters Kluwer, global provider of information, software and services, with a high proportion of subscriptions, for professionals in more than 180 countries. Main listing on Euronext Amsterdam.

Dye & Durham, provider of business information services and highly specialized information-enabled software and tools, with a high subscription rate, for legal professionals. Listed on the Canadian stock exchange.

Private companies

Lefebvre Sarrut, a French-owned company with operations in eight European countries.

VLex, a Spanish-based operator with around 200 employees and online-only services with a global reach.

Tirant lo blanch, Spanish operator with activities also in South America.



Billion-dollar market with potential and growth
Region North, SEK 2.1 billion, 2.4% CAGR
Region South, SEK 15.3 billion, 2.0% CAGR



Products and services contributing to the rule of law

Karnov Group provides mission-critical knowledge and workflow solutions for legal, tax and accounting, and environmental and health protection professionals in Europe. Through proprietary content developed by over 7,000 renowned authors and experts, Karnov delivers knowledge and insights that enable over 400,000 users to make better decisions faster - every day.

RANGE OF SERVICES

Karnov has developed a broad range of online and offline services that deliver mission-critical value to customers based on a deep understanding of the complexity of their business.

Legal professionals, e.g., need access to high quality and up-to-date information from multiple legal sources, including laws, regulations, legislative history, case law, legislative commentaries and other legal literature, of which numerous may be subject to change.

Legal investigation

The Group's databases are scalable regional platforms of legal information, tailored to the purposes of the different segments, both in terms of content and functionality. The platforms combine public sources, such as laws, preparatory works, and case law, with proprietary authored content, legal commentaries and selected case law. Access to the databases is traded as subscriptions.

- Products in Region North: JUNO, ROA, Karnov Online, Karnov's Online Library.
- Products in Region South: Aranzadi Digital, LA LEY Digital, Legalteca, Liaisons Sociales, Lamyline, Lamy Notaires.

Process and compliance tools

Karnov provides guidance and process tools for more efficient work for different industries, helping to ensure international regulatory compliance and valuable advice.

- Products in Region North: DIBkunnskap, Notisum, Avtalsguiden, Skatteguiden, Karnov Business Optimiser
- Products in Region South: Aranzadi Fusion, ContractBOX, Docanalyzer, Complylaw, Jurimetria, Echoline

Continuing legal education

Digital or physical training courses to assist professionals in continuing education or specialization. The courses can either be customized for individual customers or be subject-specific and are mainly transaction-based.

- Products in Region North: DIB Viden, NJ E-courses and Karnov/Horten E-courses.
- Products in Region South: Aranzadi Formacion, LA LEY Formacion, Lamy Formation, Lamyplay, Liaisons Sociales Formation.

Printed matter

Annual or periodic publication of books, journals, handbooks, and loose-leaf publications. The publications are

used both for educational purposes at university level and as specialized literature for professionals in the fields of law, human resources, tax and accounting. The printed matter is sold both on a subscription basis and through direct sales.

- Titles in Region North: Approximately 100 new titles each year.
- Titles in Region South: Approximately 600 new titles each year.

PRODUCT DEVELOPMENT

Demand is generally increasing in digital services and generally decreasing in printed matter. Karnov's product development is thus mainly focused on the Group's digital service offering. The development is partly technical to new and further development of the service offering, and partly intellectual in order to add more authored content to the Group's platforms. Technical development is capitalized and amortized on a straight-line basis, see note 2 for more information.

Global platforms increase operational benefits

The group has begun developing group-wide technology platforms to create synergies in development and operation.

ARTIFICIAL INTELLIGENCE (AI)

Machine learning and artificial intelligence are and have long been important components of Karnov's technology platform. Machine learning e.g. can generate better search results. Generative AI as a field has grown thanks to better hardware and Karnov sees great value in developing its service offering and internal processes using generative AI.

Karnov's AI strategy is based on the Group's proprietary local content. All the Group's AI-based products have language models trained on the proprietary content. This ensures that the information is reliable and accurate. Furthermore, sources are always presented helping the user to do further research on the relevant topic.

The AI strategy in brief:

- Helping customers work more efficiently without loss of quality.
- Using technological advances to improve internal processes and increase productivity, quality and profitability.

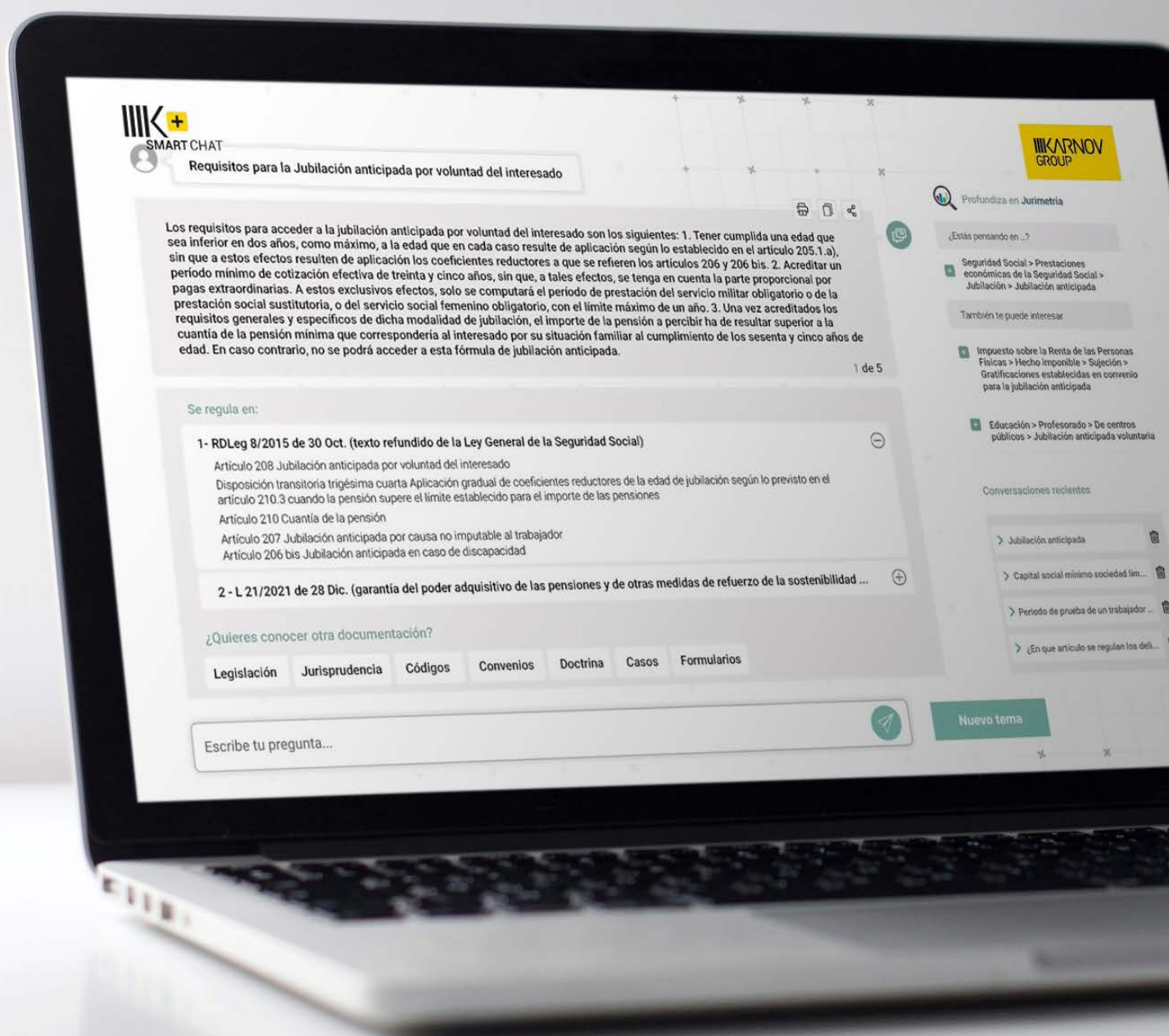
Karnov's AI solutions

- Legal research assistant
- Document screening tool
- Litigation strategy tool

K+ Smart Chat

– first AI service introduced

La Ley introduced the AI-based K+ Smart Chat service initially to a limited number of lawyers in the fall of 2023 in Spain. The service will be introduced in France in 2024 followed by the Region North. The service is based on so-called Conversational (re)search, i.e. a sub-domain of artificial intelligence that deals with speech or text-based AI models that can simulate and automate conversations based on questions and answers. Unlike AI products such as ChatGPT, it is based on and presents Karnov's own trusted quality-assured sources for further research.



Interview with Anne Nørvang Hansen, Head of Content Strategy at Karnov Group

High quality content is essential

HOW CAN KARNOV GROUP USE GENERATIVE AI TO INCREASE THE CUSTOMER VALUE?

We see generative AI as a new process tool to interact with our content. Our customers become more efficient in their work with an equally high degree of reliability. This, in turn, allows our customers to focus on the most value-adding tasks and, most importantly, make correct decisions and contribute to the rule of law in society.

WHAT TYPES OF AI SOLUTIONS DOES KARNOV HAVE TODAY AND WHAT IS BEING DEVELOPED?

Our technical platforms partly use neural networks¹ for faster results. In 2023 we launched Karnov K+ Smart Chat, which is a language model that generates answers to questions and refers to our proprietary quality assured sources. We also have several process tools in the product portfolio in Region South trained on public and proprietary sources to enable interaction with e.g. case law, drafting of agreements and screening of materials in connection with major due diligence.

WHAT IS NEEDED TO DEVELOP WELL FUNCTIONING AI-BASED PRODUCTS?

High-quality content is essential for developing reliable generative AI-based solutions. The results generated by an AI solution must be rooted in reliable content and be verifiable and citable with references to original sources. It is also important that the content is continuously updated and based on local legislation to ensure proper context and reliability of the output. In addition, self-developed content authored by subject matter experts is very important to increase the nuance and reliability of the results.

HOW DOES KARNOV DIFFERENTIATE FROM YOUR COMPETITORS?

Our content has been a business-critical tool for legal professionals for 200 years and we have collected and structured all the content easily accessible on our platform. Our AI solutions have been trained on fact-based sources that are updated daily and have been improved and enriched over decades. Being able to provide links to the original sources on which the results are based provides additional

Our AI solutions have been trained on fact-based sources that are updated daily and have been improved and enriched over decades. Being able to provide links to the original sources on which the results are based provides additional reliability and helps the user to further research.



Anne Nørvang Hansen, Head of Content Strategy at Karnov Group

reliability and helps the user to further research. In addition, we have good experience in continuously integrating new technologies to create better solutions and add increased customer value.

WHAT LEVEL OF LEGAL CERTAINTY AND DATA PROTECTION DO THE AI-BASED SOLUTIONS OFFER?

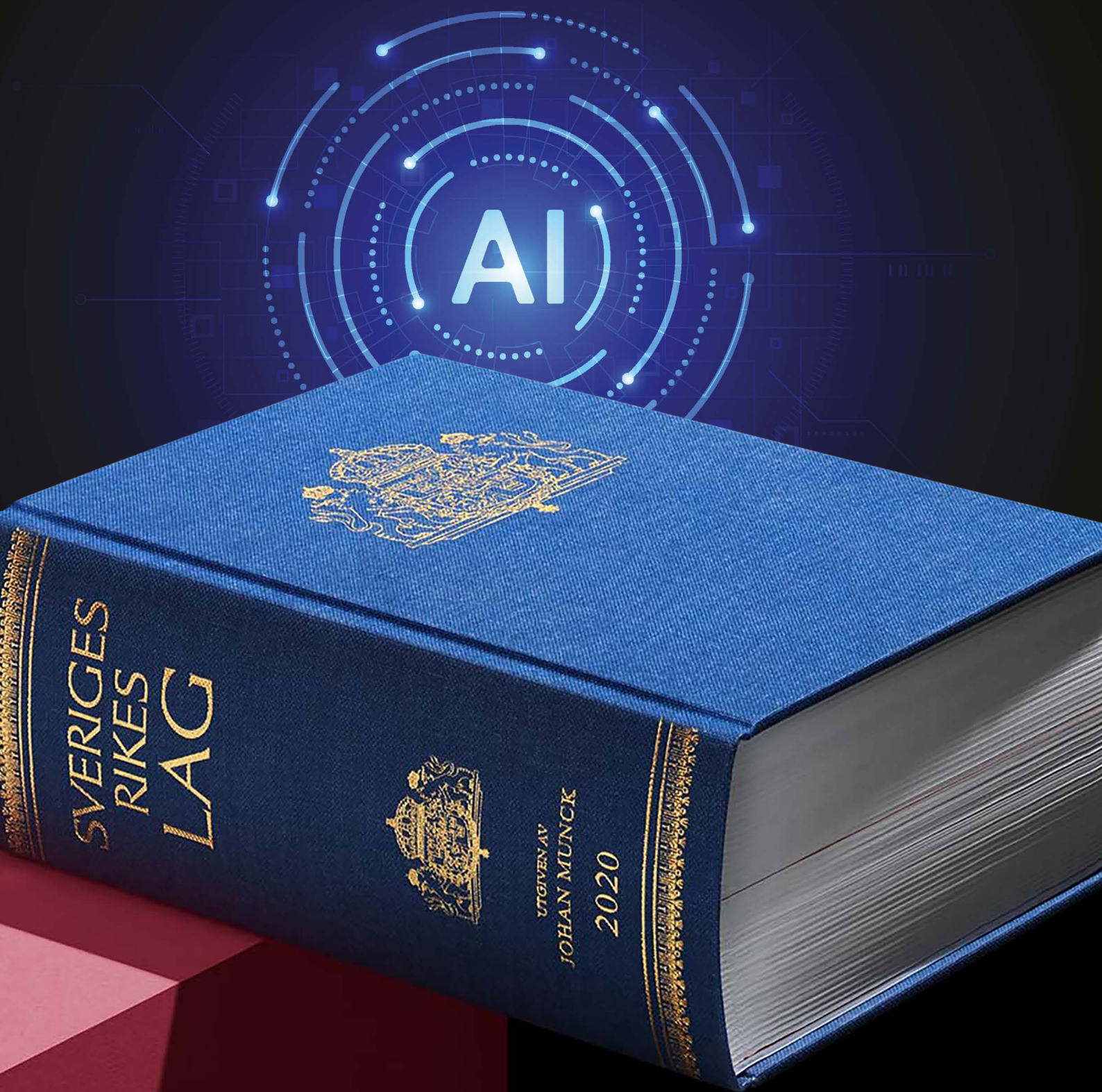
When training generative AI models, you also need to make complex considerations about privacy, protection of intellectual property rights, protection of personal data, bias and discrimination, among others. The legal framework is constantly evolving, and we follow it closely. Our AI principles are the same as Karnov's DNA: enduring customer trust and a commitment to quality. We emphasize transparency in our processes to build customer trust and prioritize privacy and security in our solutions and partnerships, ensuring strict data governance.

WHAT ARE THE RISKS IF LAWYERS RELY ON UNRELIABLE OR UNVERIFIED INFORMATION?

Basically, if the tools you rely on are not based on updated quality content and if the provider of the tool does not prevent e.g. hallucinations as much as possible, you risk making poorly informed decisions or wrong decisions or providing less informed advice. Perhaps you would risk putting your professional reputation at stake.

I do not know any lawyer who would knowingly or willingly take such risks. If I were a lawyer using generative AI-based tools, I would look for a reliable provider with a transparent solution that gives me an easy-to-navigate way to verify the results of the tool. I would also use my training, experience, judgment, and human intelligence to validate and reinforce the results.

¹ Collective term for artificial intelligence methods that can learn from experience by processing data.



"We see generative AI as a new process tool to interact with our content. Our customers become more efficient in their work with an equally high degree of reliability. This, in turn, allows our customers to focus on the most value-adding tasks and, most importantly, make correct decisions and contribute to the rule of law in society."

Region North

Karnov and Norstedts Juridik are Denmark and Sweden's leading publishers and providers of legal information, with a network of over 1,500 authors and experts and a history in the segment dating back 200 years.

In addition to legal information, Karnov's suppliers Notisum and Echoline are active in the growing environmental health and safety (EHS) market. DIBkunnskap is a leading provider of digital process tools within tax and accounting in Norway, Sweden and in Denmark, starting 2024.

A VALUED PARTNER FOR ALL LEGAL, TAX AND ACCOUNTING PROFESSIONALS

The Region North delivers legal solutions for both the online and offline markets. The legal platforms in Denmark and Sweden are leading in their respective markets, combining public data sources with proprietary content such as comments from leading legal experts. Karnov also provides process tools for further efficiency such as the automatised contract drafting and legal training courses. With a growing legal complexity and need for legal information not only for lawyers, but also for others working with legal issues, the potential for continued strong growth through new and additional sales is considered good in the medium term.

A GROWING MARKET IN THE PUBLIC SECTOR AND MUNICIPALITIES

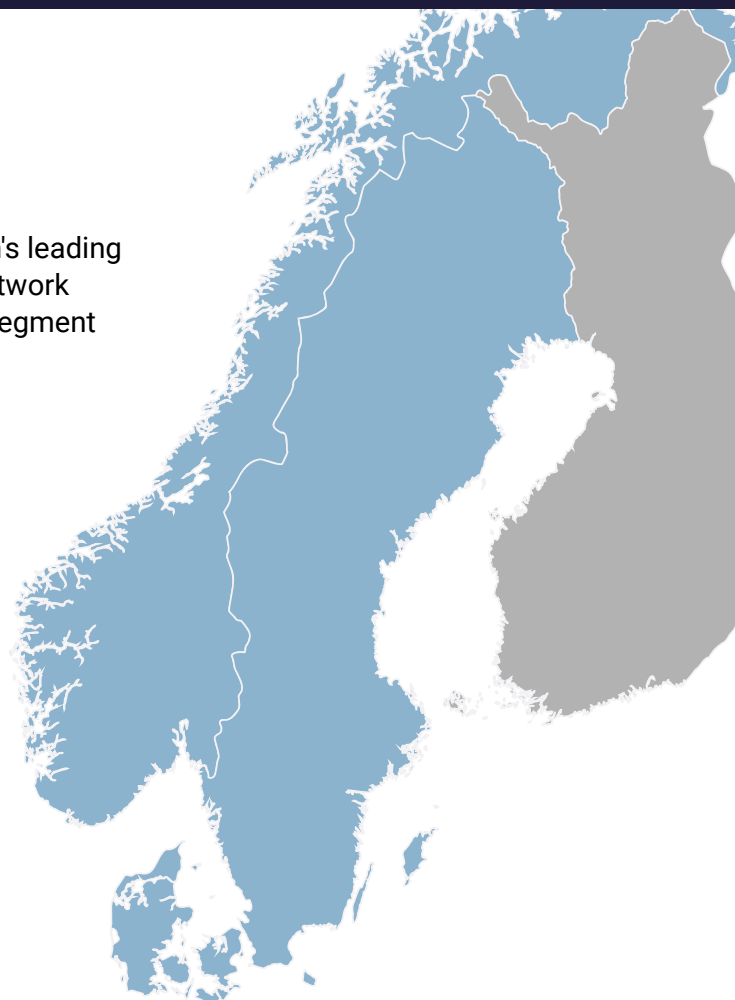
The expansion of the customer base in the public sector and in particular in the municipal sector are clear market trends. Municipal solutions are offered in Sweden (launched in 2019) and in Denmark (launched in 2021). These platforms have a satisfied customer base that appreciates the functions and content. The market outlook is considered good with opportunities to further broaden the customer base in the medium term.

STRONG GROWTH TREND IN ENVIRONMENT AND HEALTH PROTECTION (EHS)

Karnov acquired the Swedish arm of Notisum in 2016 and its Danish arm in 2023. In addition the French company Echoline was acquired in 2021. The companies provide compliance platforms in environmental health and safety (EHS) with a focus on the requirements of ISO certified organizations.

Karnov's investments in the environmental and health protection regulatory area (EHS vertical) have yielded good returns and is an important part of the organic growth in the Region North.

The service offering includes legal summaries, comments on changes and monitoring functions, which help companies with their regulatory compliance.



REGION NORTH FACTS, 2023

Net sales:	1,086 MSEK (999)
Adjusted EBITA:	442 MSEK (408)
Adjusted EBITA-margin:	40.7% (40.8)
Average number of employees:	290 (302)

Brands: Karnov, Norstedts Juridik, DIBkunnskap, Notisum, Echoline, Ante, BELLA Intelligence

GEOGRAPHICAL EXPANSION OF THE DIBKUNNSKAP SOLUTIONS

Karnov acquired DIBkunnskap (DIB) in 2021. DIB has been a leading provider of tax and accounting knowledge and process tools in Norway for a long time. One of the most popular modules is the International Financial Reporting Standards (IFRS) tool, used by more than 60 percent of the companies listed on the Oslo Stock Exchange.

DIB expanded into Sweden at the end of 2021. In the Swedish market, DIB utilizes inter alia Karnov's existing distribution channels and capabilities to drive market expansion.

As of January 2024, DIB has expanded geographically to Denmark by the operational merger with Forlaget Andersen's business whose products and services will be integrated on DIB's platform. DIB's service offering will also be strengthened with content from Karnov, to create the highest quality customer offerings in Denmark.

The primary focus is on customer value

YOU WERE PREVIOUSLY THE CEO OF NORSTEDTS JURIDIK AND HAVE NOW ASSUMED THE ROLE AS CEO REGION NORTH (INCLUDING KARNOV DENMARK).

WHAT HAS BEEN YOUR FOCUS IN YOUR NEW ROLE?

Norstedts Juridik and Karnov Denmark are very similar businesses. Moreover, our market positions in Sweden and Denmark are similar, as we are local market leaders in both countries. My primary focus is on customer value and how we can innovate to create greater customer value. In my new role, I have a broader scope. That has meant understanding customer needs in a new market, fostering collaboration between teams, and leveraging synergies to drive growth and operational excellence.

I'm looking forward to the opportunity to lead Region North into its next phase, building upon the strong foundation laid by our authors, experts and employees over time. Reaping the benefits of AI, we'll be able to enhance content interaction and generate further customer value.

WHAT STRATEGIES AND INITIATIVES WERE THE DRIVERS OF THE ORGANIC GROWTH IN REGION NORTH DURING THE YEAR?

A few years ago, we started working with practical content in Sweden and later also in Denmark. Our municipality solutions are targeting civil servants who are not trained on the law but need to take decisions based upon it. Our practical content has been appreciated by customers who can use it to take more informed decisions, faster. That has driven growth, we started from having a limited customer base, and are now growing rapidly in the segment. In parallel, we've been successful in general in the public sector, upselling to existing customers and attracting new customers, while the practitioners have grown in line with the general market trend.

Our businesses in EHS and tax and accounting have also been a positive contributing factor in Region North. Their markets are growing a little more rapidly than the legal information solutions market, and we've been successful in developing solutions that fill the needs of our customers.

YOU'VE LAUNCHED A COMMON PRODUCT/TECH ORGANISATION IN REGION NORTH TO STREAMLINE DEVELOPMENT BETWEEN DENMARK AND SWEDEN. WHAT CHALLENGES HAVE YOU ENCOUNTERED?

The rationale behind launching a common product organisation in Region North was to streamline development between Denmark and Sweden. We have a cross-functional, cross-country road map for development. We have the

I I'm looking forward to the opportunity to lead Region North into its next phase, building upon the strong foundation laid by our authors, experts and employees over time.



Alexandra Åquist, CEO Region North

same customer-facing platform, and we have the same content management system. The customer demands are also similar in the local markets and working as one, rather than two, means that we can decrease the time to market in product development. The launch of the common organisation was well prepared with the local leaders, including communication plans. The main challenge has been for the organisation to adapt to the change. The culture and methodologies are similar in the local markets, so it was overall a successful transition.

KARNOV IS A WELL-ESTABLISHED PLAYER IN THE NORDICS WITH A SIGNIFICANT MARKET SHARE, WHERE DO YOU SEE THE GREATEST GROWTH OPPORTUNITIES?

We should always have the customers in heart and mind. We see potential in expanding our product offerings and solutions to cater to evolving customer needs and market trends. This includes enhancing our digital solutions, leveraging AI and thereby generating even greater value to our customers.

In terms of customer segments, I believe practical content will enable us to grow in the corporate sector. That is the smallest of our three customer segments. We are currently ramping up our efforts within the sector, as we see that the demand for legal information solutions is growing within corporates. An increasing number of regulations and more complex legislation requires corporates to allocate increasing resources to be compliant. We provide the solutions that fill that knowledge gap, and I see positively on our market opportunities the coming years.

Region South

In the Region South, the market is supplied with legal information to legal professionals such as lawyers, the public sector, municipalities, and companies. Aranzadi LA LEY and Lamy Liaisons are leading publishers and providers of legal information in Spain and France with a network of over 5,500 authors and experts and a history of over 100 years.

WELL-KNOWN BRANDS IN LOCAL MARKETS

The local operations are represented by strong brands with high recurring revenues and attractive customer portfolios.

Aranzadi is a well-known industry brand in Spain with an attractive product portfolio. The company has a strong market presence among large law firms and is a mission-critical supplier of legal information and process tools.

LA LEY is a historical pioneer of a first-class legal research platform in Spain with the strong content management platform Altamira Naw, a proprietary CMS and publishing platform. LA LEY is also a leader in the development of AI-based litigation tools in Spain.

Lamy Liaisons is a well-known French player with deep sector specialization that holds some of the most established legal information service brands in the French legal market.

The combination of strong platforms and content in Spain and France together with the Group's experience in value creating acquisitions enables a stronger customer offering and increased customer value in the local markets. Through the local brands and the experience of geographical expansion, Karnov is well positioned to reach new customer groups in Region South.

STRENGTHENED CUSTOMER OFFERINGS AND INCREASED PROFITABILITY THROUGH INTEGRATION

Karnov is running integrations in Spain and France. To increase profitability the two companies Aranzadi and LA LEY in Spain are being merged by gathering content to one technical platform and staff in one common organisation. In France, Lamy Liaisons is being restructured to become the fastest growing provider of legal information solutions in the French market. The integrations in Spain and France build on the experience of previous integrations, including the merger of Karnov Sweden and Norstedts Juridik into one company.

Integration of the Spanish entities

The integration program of the Spanish entities is led by a steering committee. The practical work takes place in six different workflows: technology, content, product, sales and marketing, finance, and HR, which are managed by employees who report to the steering group. The goal is to realize cost synergies of EUR 10 m with full effect on an annual run-rate basis by the end of 2026. Already by the end of



REGION SOUTH FACTS, 2023

Net sales:	1,389 MSEK (1,286*)
Adjusted EBITA:	129 MSEK (95*)
Adjusted EBITA-margin:	9.3% (7.3*)
Average number of employees:	922 (944)
Brands:	Aranzadi, LA LEY, Lamy Liaisons, Jusnet

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

2024/2025, cost synergies of EUR 7.5 m on an ongoing basis will be realized. The cost of realizing the synergies is estimated at EUR 24 m.

In 2023, the integration has progressed ahead of plan.

Once all content is gathered on a common technical platform, Karnov intends to restructure the product portfolio and leverage the best of both companies. The short-term focus in Spain is to reduce the cost base, while growth is the medium-term focus.

Adaptation, development, and transformation in France

The adaptation, development and transformation (ACT) program in France has the same steering committee and workflows as the integration program in Spain. In France, the organization is currently being reorganized to increase the number of employees in sales and rationalize the administration. Furthermore, the product portfolio is being restructured to respond to market demand for modernization.

The program progressed according to plan in 2023 and an updated product portfolio will be launched in 2024 with three main products: Lamyline, Liaisons Sociales and Lamy Notaries. These will have an updated user interface.

The ambition is to be the fastest growing legal information solutions provider in the French market in the medium term and to obtain market share in specific verticals.

An opportunity to build a strong new player

WHAT TRIGGERED YOU TO JOIN KARNOV GROUP?

I was inspired by Karnov Group's ambitious and exciting expansion plans and the opportunity to build a strong new player with mission-critical services for legal professionals in Europe. Karnov Group is committed to provide legal professionals with the best possible resources to help them do their work effectively. The company has a solid track-record in achieving just that. I was also impressed by Karnov Group's strong financial position and its commitment to growing and generating further value for customers. The company is well-positioned to capitalise on the growing demand for legal information and solutions, including AI.

TELL US MORE ABOUT THE INTEGRATION PROJECT IN REGION SOUTH - HOW IS IT PROGRESSING?

The integration is progressing well, and we are actually ahead of schedule. The initial plan was to complete IT and content migration by the end of November 2024, but the team is making great progress, so we are ahead of that timeline. This is possible thanks to the good working spirit and motivation in the teams at Aranzadi and LA LEY. This has facilitated an understanding of the final model and efficient working dynamics.

HOW ARE YOU MITIGATING RISKS AND CHALLENGES?

The steering group for the Region South integration is effectively managing risks and challenges through a comprehensive approach. The integration is based on six work-streams with different leaders reporting to the steering committee on frequent basis. Relevant risks have been identified during the planning of the integration and potential impacts have been measured, with internal controls deployed.

THE AMBITION IS TO HARVEST COST-SYNERGIES OF EUR 10 M, PLEASE TELL US MORE ABOUT WHERE THESE WILL COME FROM.

The synergies mainly come from five sources: Integration of common teams, de-duplication of activities, vendors and distributors, rationalisation of product portfolio, increased automation and process streamlining, and finally consolidation of offices. In terms of areas, more than 50% of the synergies comes from content and sales areas, combining the best of two Spanish businesses.

WHAT IS YOUR AMBITION IN REGION SOUTH AND HOW DO YOU WANT THE LOCAL BUSINESSES TO DEVELOP?

My ambition for the Region South is to create stronger, more efficient, and profitable companies by creating value for the customer. The local businesses have a strong track record of innovation and are well-positioned to capitalize on the opportunities that are emerging in the legal information market, especially with generative AI capabilities. This will



Guillaume Deroubaix, CEO Region South

be achieved by combining the strengths of the three companies: Aranzadi, La Ley and Lamy Liaisons, all three strong players in their local markets, and leveraging on the synergies to lead to new product development, innovation, and of course, growth.

HOW DOES THE COMPETITIVE LANDSCAPE IN REGION SOUTH LOOK LIKE AND HOW DO THE BUSINESSES/ KARNOV GROUP? DIFFERENTIATE?

The overall market in Region South is fragmented. Karnov Group differentiates itself from its competitors in several ways, making the group well-positioned to compete in the Region South market. One important differentiator is that we are a purely European player dedicated to the civil law territories. We consider that expert and proprietary content is key for our clients, and we plan to continue investing in this field, especially in the Generative AI area where trust is vital. Karnov offers a comprehensive suite of legal information and solutions, including:

A curated content offering: Karnov Group's content is carefully selected and curated to meet the needs of legal professionals. The company's content is constantly updated and analysed to ensure that our clients are provided with the most updated information in the market with the most relevant practical content.

A wide range of software and productivity tools: Karnov Group offers a wide range of software and productivity tools that help legal professionals work more efficiently. These tools include legal research software, case management software and document automation software.

A strong customer focus: Karnov Group is committed to providing our customers with the best possible customer experience. The company offers several ways for customers to get support, including: 24/7 customer support, a number of online resources and local service teams, very close to the clients and their needs.

The Karnov share

Karnov Group was listed on Nasdaq OMX Stockholm Midcap under the ticker KAR on April 11, 2019. The subscription price in the IPO was SEK 43.0. A trading lot is one (1) share.

TRADING IN THE SHARE

67.0 million shares were traded in 2023, representing a share turnover rate of 62 percent. The average daily trading volume was 267,024 shares. The highest daily closing price was SEK 63.0 on February 15, 2023, and the lowest daily closing price was SEK 39.2 on August 22, 2023. The closing price on December 29, 2023, was SEK 55.5, resulting in a market capitalization of approximately SEK 6.0 billion. This corresponds to a decrease of 6 percent from December 30, 2022 and an increase of 29 percent compared to the introduction price at listing on Nasdaq Stockholm. In 2023, Nasdaq Stockholm OMXS30 increased by 19 percent. The index where Karnov Group is included, industrial goods and services, increased by 31 percent.

SHARE CAPITAL

On December 31, 2023, the share capital in Karnov Group AB (publ) amounted to SEK 1,663,150 divided into 107,876,145 ordinary shares and 225,902 C-shares. The quota value is SEK 0.015385. Each ordinary share entitles the holder to one (1) vote at general meetings and each class C share entitles the holder to one tenth (1/10) vote at general meetings. The ordinary shares are equally entitled to dividends while the C shares are not entitled to dividends.

INCENTIVE PROGRAM

In 2023, 29,474 C-shares were converted into ordinary shares to deliver shares to the participants in the share-based incentive program LTIP 2020. In addition, the new share-based incentive program LTIP 2023 was launched. Nineteen (19) participants, including group management and a number of key employees, allocated a total of 96,845 acquired or already held savings shares to the program.

ANALYSTS

The following sell-side analysts continuously follow Karnov's development on a regular basis:

Bank	Analyst	Contact
Carnegie	Predrag Savinovic	predrag.savinovic@carnegie.se +46 8 588 687 12
Nordea	Daniel Ovin	daniel.ovin@nordea.se +46 10 156 56 85
Berenberg	Simon Jonsson	simon.jonsson@berenberg.com +44 7989 725 385
SEB	Ina Djupsund	ina.djupsund@seb.se +46 707 392 903

Upon full allocation, the total number of performance shares in LTIP 2023 will amount to a maximum of 366,007 ordinary shares, corresponding to approximately 0.3 percent of the total number of shares in the company.

SHAREHOLDERS

On 31 December 2023, Karnov Group had 1,321 known shareholders according to the CSD register maintained by Euroclear, which is approximately 12 percent less than at year-end 2022. The ten largest shareholders controlled 60 percent of the Company's shares. Swedish owners controlled approximately 32 percent of the Company's shares and foreign owners approximately 68 percent. The Board of Directors and management team owned privately and through companies a total of 1 percent of the shares in the Company.

DIVIDEND POLICY

Karnov's ambition is to distribute 30-50 percent of the net profit. Proposals for decisions on dividends shall take into account Karnov's investment opportunities and financial position. The Board of Directors' proposal to the Annual General Meeting 2024 is not to distribute any dividend.

ANNUAL GENERAL MEETING

The Annual General Meeting 2024 will be held on May 8, 2024 at 09.00 at Cirio Advokatbyrå in Stockholm. Shareholders will be able to exercise their voting rights on site or vote by mail in advance. Voting can be done digitally through a form available on our website, where the notice of the AGM is also available at www.karnovgroup.com/en/general-meeting.

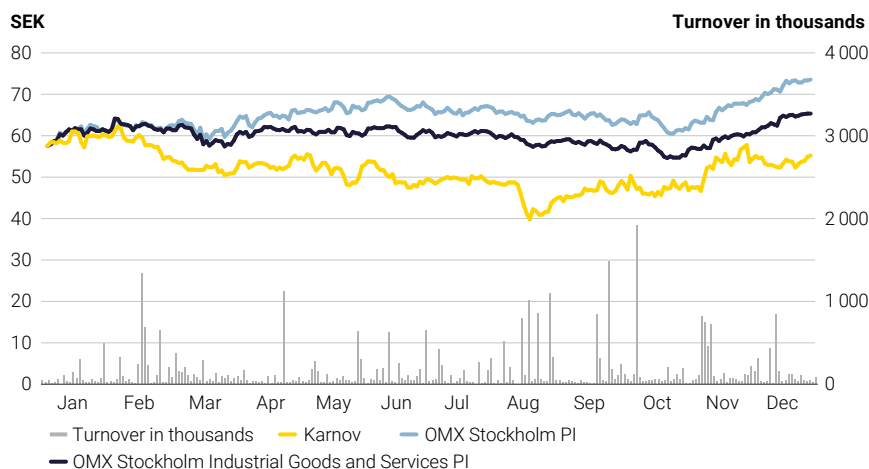
KEY METRICS FOR THE SHARE

	2023	2022
Earnings per share	0.34	0.56
Proposed dividend per share	0	0
Share turnover	62%	67%
P/E	163	105
Yield	0%	0%
Market value at the end of the year	6.0	6.3

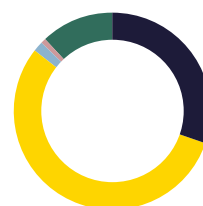
LARGEST SHAREHOLDERS

	Shares	Votes, %
Long Path Partners	14,589,550	13.52%
Invesco	11,448,288	10.61%
Swedbank Robur Fonder	7,653,207	7.09%
Carnegie Fonder	7,000,000	6.49%
Didner & Gerge Fonder	5,613,570	5.20%
M&G Investment Management	4,774,509	4.42%
Janus Henderson Investors	4,006,977	3.71%
Columbia Threadneedle	3,488,466	3.23%
Anabran Capital	2,979,685	2.76%
Fjärde AP-fonden	2,707,435	2.51%
	63,607,017	58.85%
Other	44,269,128	40.95%
Own shares	225,902	0.20%
Total	108,102,047	100.00%

THE KARNOV SHARE 2023

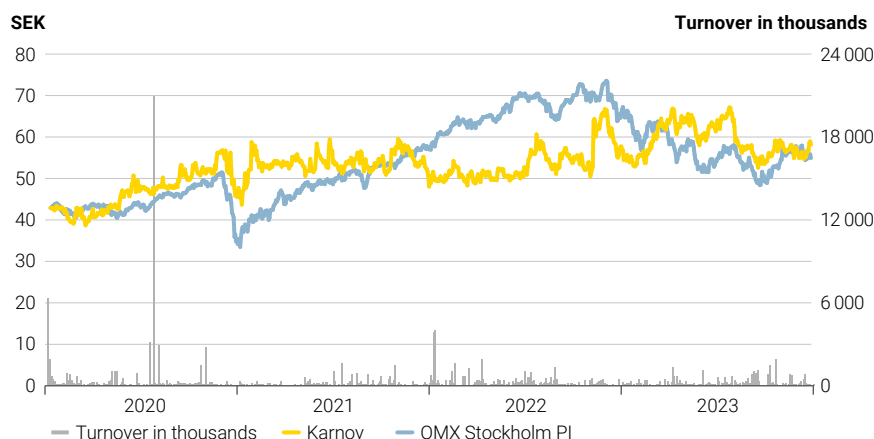


SHARES BY CATEGORY OF OWNERSHIP

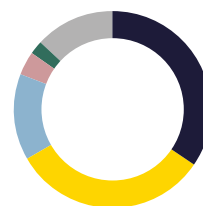


30.5% Swedish institutional
55.2% Foreign institutions
1.6% Swedish private holdings
0.9% Board and management
11.8% Others

THE KARNOV SHARE 2020-2023



TURNOVER IN THOUSANDS



34.6% USA
32.3% Sweden
14.0% Great Britain
4.0% France
2.3% Finland
12.8% Others

Sustainability report

Karnov Group believes that a prosperous society is built on a robust legal system and democratic principles. Through our products and services, we support the knowledge and decision-making of legal professionals across Europe. By presenting high quality and efficient workflows for our customers, we facilitate access to justice and help create stronger justice for more people.





A prosperous society demands a robust legal system and democratic principles

Karnov Group's view of sustainability is tightly linked to the belief that a prosperous society is built on a robust legal system and democratic principles. Karnov is committed to the Group's mission; to clear the path to justice. As a provider of legal knowledge, Karnov's business is mainly driven by the needs of the customers and the community, progress within the industries served, and the innovative output of the Group's own workforce and contracted experts. The major impact by Karnov is thus mainly within the social spectra from an ESG point of view.

Karnov is also committed to playing its part in reducing greenhouse gas emissions and material sourcing.

KARNOV GROUP ESG STRATEGY AND OBJECTIVES

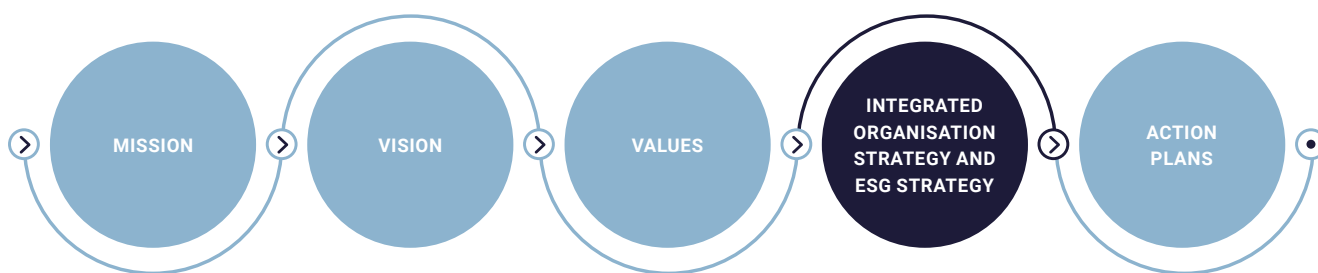
Being active within the industry of legal knowledge, Karnov's ESG strategy is an integral part of the business strategy and is closely linked to the Group's vision, mission, and values. It is also closely linked to five of the UN SDG Goals and in particular SDG 16, Peace, justice and strong institution.

Karnov Group core business is to develop legal knowledge solutions that, through their availability, scope and quality, enable our customers to make better decisions faster. This is how we facilitate access to justice and this is why Karnov Group can have an impact led approach to ESG: to clear the path to justice, we contribute with knowledge for legal professionals, whilst balancing economic growth and positive social impact.

Apart from Karnov's core business ESG related topics, such as e.g. Human Resources, reduction of GHG (greenhouse gases), are addressed in the local strategies and action plans.

ABOUT THE SUSTAINABILITY REPORT

Karnov Groups sustainability report relates to the fiscal year 2023. The sustainability report covers the parent company Karnov Group AB (publ) (reg. no. 559016-9016) and all entities consolidated in the financial statements of Karnov Group for the same period, which are specified in Note 14 of the Annual Report. The sustainability report is prepared in accordance with the provisions of Chapters 6 and 7 of the Annual Accounts Act. No significant changes have taken place in the application of accounting principles, or the scope of the reporting compared with last year. The Board of Directors of Karnov Group AB (publ) has, when signing the Annual Report, also approved the sustainability report. The Sustainability Report includes pages 32-52, disclosures according to the EU Taxonomy Regulation on pages 43 and 49-51, the section on risks and risk management on pages 46-48 and the business model on page 17.



ESG Profile in brief

SOCIAL

Objectives

- Develop new legal knowledge solutions that help customers serve clients, citizens and students with more efficiency and certainty.
- Sustain the current diverse, inclusive place of work with well-being and development opportunities for all employees, with an even gender split.
- Sustain current high employee satisfaction target across the Group.
- Engage with communities, companies and initiatives that supports our mission.
- Roll-out revised Code of Conduct (also applicable for suppliers).

ENVIRONMENTAL

Target

- Decrease annual Scope 3 emissions by 15% by the end of 2025 (compared to the base line year 2022)

GOVERNANCE

Objectives

- Maintain a strong governance framework with transparent decision-making processes.
- Foster a culture of ethical behavior and accountability and compliance with laws, regulations and industry standards.
- Implement a strong, group-wide enterprise risk management system.
- Annual compliance training completed by all employees.
- ESG strategy fully implemented included localised action plans.
- Strengthen the stakeholder ESG communication
- Complete full materiality analysis and full scope 3 screening, all entities.
- Complete full hotspot analysis, all entities.
- Supplier screening.

Desired ESG position

Karnov Group is to be perceived as an innovative and responsible industry leader and collaborator with a strong ESG agenda contributing to a robust legal system.

SOCIETY

A responsible and trustworthy and company that clears the path to justice and contributes to the rule of law.

CUSTOMERS

Karnov adds customer benefit as a trustworthy, innovative, customer centric supplier of quality products and services with close collaboration with vendors, with socially and environmentally sustainable practices throughout the full value chain.

INVESTORS

An industry leader with a clear ESG agenda, high investor ratings and innovative, premium products and services.

EMPLOYEES

A responsible and innovative company with a strong and clear ESG agenda focusing on the wellbeing and professional development opportunities of all its employees.

PARTNERS AND EXPERTS

An industry leader and collaborator with professional and thoroughly ethical practices at its core offering experts an opportunity to be part of providing trustworthy knowledge and support to the legal community.

SUPPLIERS

An industry leader with a strong ESG agenda and high demands on ethical practices throughout the full value chain.



Interview with the Head of Sustainability, Caroline Wiroth

An impact-led approach to social sustainability

HOW DOES SUSTAINABILITY ALIGN WITH THE CORE VALUES AND MISSION OF KARNOV GROUP?

Karnov's mission is to clear the path to justice. We believe that a prosperous society is built on a robust legal system and democratic principles. Our solutions provide knowledge and enable efficient decision-making for legal professionals across Europe. Together with our customers, we can facilitate access to justice and support the democratic principles our societies are based upon. This is what we strive for every day and why I feel proud to be a Karnovian.

KARNOV STATES TO CONTRIBUTE IN PARTICULAR TO UN SDG 16, COULD YOU ELABORATE?

Karnov's core business is to develop legal knowledge solutions. This is how we facilitate access to justice and contribute to a robust legal system and a democratic society. This supports the UN SDG 16.3, which aims to "promote the rule of law at the national and international levels and ensure equal access to justice for all". Karnov can strengthen legal institutions and practitioners' capabilities, aligning with SDG 16.6, which seeks to "develop effective, transparent, and accountable institutions". We therefore have an impact-led approach to social sustainability.

IN WHAT WAYS DOES KARNOV ENGAGE WITH STAKEHOLDERS TO PROMOTE SUSTAINABLE BUSINESS?

Stakeholder collaboration is key across the entire value chain. Through stakeholder dialogue and partnerships, we cooperate and aim towards shared sustainability goals, whether it's reducing our carbon footprint, enhancing social responsibility or supporting community initiatives. By listening to and incorporating diverse perspectives, we aim to foster transparency, trust, and long-term relationships that drive sustainable value creation. When we do this well, each activity will have a greater impact and one activity can also lead to synergies.

WHAT CHALLENGES OR OBSTACLES HAVE YOU ENCOUNTERED IN IMPLEMENTING SUSTAINABILITY INITIATIVES, AND HOW HAVE YOU ADDRESSED THEM?

Most of the initiatives we have addressed in our ESG Committee have come with challenges. Some have been related to resource constraints, to cultural differences and some to difficulties acquiring the emission data needed for reporting according to the GHG protocol. We emphasise the



Caroline Wiroth, Head of Sustainability

ESG perspective, demonstrating how it can drive innovation, efficiency, and resilience, ultimately enhancing our competitive advantage. Additionally, we invest in employee education and empowerment, fostering a culture where sustainability is integrated into decision-making at all levels. Getting better, turning every stone and continuously tweaking everything we do is a guiding star within all our sustainability work.

HOW DO YOU STAY UPDATED ON EMERGING ESG TRENDS AND BEST PRACTICES WITHIN THE LEGAL RESEARCH INDUSTRY?

This is of course key, and we regularly monitor industry best practices, attend conferences, and participate in relevant networks and forums. We also work with consultants and experts to get their advice, in particular when it comes to new rules and regulations. Our work is ongoing and will never be finished – we can always get better!

LOOKING TO THE FUTURE, WHAT ARE THE COMPANY'S LONG-TERM ESG OBJECTIVES AND ASPIRATIONS

Karnov has ambitious long-term ESG objectives and aspirations. We have incorporated initiatives to decrease our annual Scope 3 emissions by 15% by the end of 2025 (base line year 2022). We drive many local initiatives across the Group, in particular to reduce electricity consumption and transportation emissions for our print business.

Karnov operates in a knowledge intensive industry where our employees and partners are the driving force behind innovation and growth. We therefore prioritise initiatives aimed at empowering and motivating our employees and assist them in their personal and professional growth. We also aim to foster a culture of open communication and inclusion, where every employee feel that their voice is valued, and that their ideas are actively considered. By promoting transparency, trust, and collaboration, we aim to cultivate strong bonds among our employees and create a workplace where everyone feels valued and invested in shaping Karnov's future. In line with our mission, we aspire to be perceived as a company with a strong ESG agenda contributing to a robust legal system.

THIRD PARTY ESG RATING

Karnov Group is categorised as a 'low risk' company.

19.2 OUT OF 100

A lower score indicates good performance.

MORNINGSTAR | SUSTAINALYTICS

UN SDG

Karnov has identified the following UN Sustainable Development Goals where a more substantial contribution is possible to be made in the identified targets within each of the listed SDG:

SDG	TARGET	KARNOV'S WORK
 5 GENDER EQUALITY	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	Karnov is committed to providing and promoting equal opportunities throughout all aspects of employment including recruitment and promotion. Karnov offer an inclusive workplace regardless of sex, age, physical abilities, sexual orientation, ethnicity or religious belief.
 8 DECENT WORK AND ECONOMIC GROWTH	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.	Through the development of accurate, reliable and high-quality content combined with innovative technology and process tools, Karnov supports the work of legal knowledge professionals.
 13 CLIMATE ACTION	13.2 Integrate climate change measures into national policies, strategies and planning.	<p>Karnov Group calculates and reports greenhouse gas emissions according to the Greenhouse Gas Protocol (GHG) and we have chosen to use an activity-based approach for climate calculations. This enables us to raise awareness of the activities that drive our emissions and climate impact, educate internally within the Group and ultimately set targets to reduce our emissions.</p> <p>Karnov's target is to decrease the annual Scope 3 emissions by 15% by the end of 2025 (compared to the base line year 2022).</p>
 15 LIFE ON LAND	15.2 End deforestation and restore degraded forests.	Karnov Group publishes a wide range of titles as part of our publishing operations. We purchase printing services from third parties who use FSC-certified paper ¹ to ensure that the raw material comes from responsibly managed forests. We also investigate the country of origin of the raw material to ensure that the paper does not come from countries with deforestation problems.
 16 PEACE AND JUSTICE STRONG INSTITUTIONS	<p>16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all.</p> <p>16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.</p>	The core of Karnov's business is to make the true pillar of democracy - the rule of law - accessible, sharable and debatable – enabling its customers to make better decisions, faster.



ESG governance

Karnov Group's Board of Directors has overall responsibility for sustainable business issues. The CEO is responsible for implementing the decisions and strategies of the Board. The ESG strategy and governance is managed by the Karnov Group ESG Committee. The Committee includes representatives from Karnov Group Management and the two regions. The ESG Committee reports to the Karnov Group Board of Directors.

The Committee is responsible for initiating and implementing the necessary changes along the entire value chain. This includes identifying and defining how to assess and report the Group's sustainability impact and analyse how Karnov's ESG ambitions can be further broadened. The committee is also responsible for the compliance to the CSRD (Corporate Sustainability Reporting Directive).

In addition, all Karnov Group employees have a responsibility, within their own area, to actively contribute to our sustainability efforts, while all managers are responsible for monitoring and ensuring compliance.

GROUP POLICY FRAMEWORK

Karnov Group's governing documents provide a framework for sustainable governance. Laws, government requirements, listing regulations and international standards are woven into the governing documents. The policy documents are reviewed and revised annually.

The framework includes Group ESG policy, Code of conduct, Whistle blower policy, Information security, Risk management,

See page 45 for the Karnov Group governance framework.

STAKEHOLDER ENGAGEMENT

Karnov Group has ongoing stakeholder dialogues which will be further structured during 2024. The Group has identified following stakeholders along the value chain:

- Customers
- Employees
- Partners and experts
- Society
- Suppliers
- Investors
- Media
- Students

MATERIALITY ASSESSMENT

Karnov Group undertakes yearly materiality assessments as part of the Enterprise Risk Management processes. The materiality assessment is based on a dual perspective, where accounted for both the impact of sustainability risks on Karnov Group as a company, to what extent, have an impact on society and the environment (so-called dual materiality). The materiality analysis provides the Group an understanding of which areas are of greatest importance. The results of the analysis provide important guidance for the ESG strategy.

A table of the stakeholders, their core ESG concerns and dialogue processes and channels, is presented on page 44.

Social

Employees and partners form the core

Karnov operates in a knowledge-intensive industry where employees and partners in legal expertise are at the core of developing and delivering products and services that contribute to a more legally secure society. IT skills are furthermore crucial for making legal information accessible and providing efficiency-enhancing tools for work processes.

KEY FIGURES 2023

Social sustainability

Average numbers of employees (FTEs)	1,226
Nationalities employed	22
Women within the group	56%
Women with staff responsibility	56%
Women in group management	30%
Employee satisfaction	8.5
Work-related injuries and/or deaths	4
Short-term sick leave	0.40%
Long-term sick leave	2.00%
Number of flights	1601
Employees attending training	60%
Voluntary employee turnover	7.20%

Remuneration within the Group

CEO remuneration gap	15.5x*
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Business sustainability

Number of reported and investigated cases of suspected breaches of the code of conduct	0
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Information security and integrity

Reported cases of violation of human rights	0
Reported cases of misconduct	0
Reported cases of harassment and/or discrimination	0

* All remuneration including bonus accrual and LTIP 2023.
Please refer to note 7.

Karnov operates in a knowledge-based industry with an organisation consisting of a wide range of functions. It consists of specialists in areas such as legal expertise

and IT development but also in marketing and sales and administration in finance and HR.

RECRUITMENT

Recruitment is done with the help of the employees, job advertisement via websites, search activities, professional recruitment firms, and contact with specific professional groups from relevant educational institutions, and visibility and hosting of professional networks and professional groups. As an employer, Karnov focuses primarily on skills and experience and welcomes diversity.

For students, the Group also offers internships and thesis/graduation opportunities.

COMMON CORPORATE CULTURE

Diversity in national and organizational cultures creates new conditions in the meeting between the parties in the larger group. Karnov Group's HR function is an important support in the journey of change with the aim of creating a global HR strategy that is anchored in the business strategy and operations (see also the interview with Charlotte Arup, CHRO, on page 40).

The flat organizational structure with relatively few levels of management provides employees with opportunities for engagement. The CEO strives to be visible and accessible to all employees in the Group by regularly visiting the offices in the various countries.

Four core values have been developed as the basis contributing to the foundation of a common corporate culture.

CUSTOMER CENTRICITY

"I have the customer in my heart and mind in everything I do."

CURIOSITY AND KNOWLEDGE

"I am eager to learn, I give and get perspectives."

TRUST AND OPENNESS

"I trust and I am being trusted."

COLLABORATIVE COMMUNITY

"I share and develop together with my community."

ENGAGEMENT SURVEYS OFFER IMPORTANT FEEDBACK

Karnov Group conducts structured engagement surveys using the Workday Peakon employee voice. It is an important tool to quantify employee engagement, how connected an employee feels to their work, their colleagues, and the business. These surveys have already been carried out in Region North and will start to be conducted in Region South from 2024. Several aspects are evaluated, such as working conditions and workload, feedback and recognition, and development opportunities.

COMPETENCE DEVELOPMENT

- Individual

Karnov aims to utilise employees' skills and abilities right from the start, i.e. from the beginning of their employment. This is done through an onboarding program where the employee gets access to a mentor buddy. In connection with the annual performance review, the employee and the manager will jointly draw up an individual development plan, which at least covers the focus areas for the coming year. It will also be possible to sign up for the Group's mentoring program across functions, departments and countries. Further development is done in consultation with the immediate superior.

A first generation of a group-wide training concept, Karnov Academy, is under development with a planned introduction in 2024 in France.

The goal is that employees, based on the competence development tool "70-20-10", have a strategy for development both in the workplace, as collegial learning and through actual external learning and training, which is made available through the training platform Karnov Academy. The Karnov Group Leadership journey and introduction to the cultural values will also be included and be part of the Karnov Academy.

- Group-wide

More structured knowledge exchange will increasingly take place between the units and countries. This is done by the concept "Bring the Best to the rest" where ongoing close cooperation between functions and countries provides exchange of best practices and knowledge, both in the development of new concepts and in the daily execution of tasks. It emphasizes that everyone must have a group-wide global mindset, even when solving tasks locally.

LEADERSHIP PROVISION AND OTHER CAREER OPPORTUNITIES

Leadership development takes place both internally and externally. Karnov also offers other career development within the areas of expertise. The strategy for employee development is based on being a "Talent Green House" for the employees. Karnov has therefore introduced a competence development concept as part of the HR strategy. The concept will be developed within the framework of the Karnov Academy, and the concept has defined the career paths available within the Karnov Group.

There is a belief that employees who develop are happier, feel more secure and therefore perform better. Therefore, employees can develop in several directions: towards more responsibility and possibly leadership, in-depth specialization or expansion of current areas of expertise. Karnov offers all three career paths and wants employees to see these opportunities as good and qualifying career paths that increase their employability (market value) day by day as a Karnov Group employee.

HEALTH AND SAFETY FOR A BETTER WORK ENVIRONMENT

Karnov places great emphasis on maintaining conditions for good health, not least psychological. The employees' well-being and sense of security in carrying out their daily tasks are assessed on an ongoing basis.

OCCUPATIONAL HEALTH CARE

To promote physical health, Karnov assists with wellness grants and arranges local activity opportunities during the working day, for example by having a platform available for all employees that offers physical training during the working day and also during working hours.

TERMS AND CONDITIONS AND INCENTIVE PROGRAMS

Karnov respects the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, which includes human rights at work and the right to organize and collective bargaining.

Employment and wage agreements are made both individually and through collective agreements.

STAFF RESPONSIBILITY AND GOVERNANCE

Most staff report to their head of department, who in turn reports to the head of operations. All personnel management is handled at national level. Support is provided by HR departments in the major subsidiaries.

Social risks are included in the risk description.

Policies and guidelines are included in the sustainability governance section.

Interview with Charlotte Arup, Group Chief Human Resources Officer

“Our goal – one group one culture”

Karnov Group has grown from an organization of around 300 people in three Nordic countries to a larger organization of more than 1,200 employees in six countries. What are the proceeds in adapting the HR-strategy to a larger and more heterogenous group?

To take full advantage of the acquisition of Region South, an updated and harmonized HR strategy is being developed and will essentially be implemented during 2024. The strategy is designed to support four purposes; link the Global HR Strategy to the Group Strategy, understand and cater for the expectations and needs from the business, have a clear and aligned plan within HR for execution to succeed and, establish a common People Promise that highlights what Karnov Group delivers to its employees to ensure commitment and engagement.

The HR-strategy also encompasses how we can attract and retain employees throughout their career, from a well-functioning on boarding program to enhanced competence and leadership abilities.

THERE'S A SAYING THAT CULTURE EATS STRATEGY FOR BREAKFAST. WHAT'S YOUR APPROACH TO HANDLE THIS CHALLENGE?

We are on a journey of change and our goal is to create a common culture and a shared vision. We started in 2022 to conduct an assessment survey where all employees were invited where of approximately 900 participated. Through this study we could establish an understanding of the then current cultures and the desired future culture. The now established four cultural values were defined through a series of workshops. After having presented these values throughout the group we're now having workshops in culture work groups in how to embrace the values, i.e. through what activities to reach common behaviors.

IN A PROFESSIONAL ORGANIZATION LIKE KARNOV'S THERE'S A LOT OF GROUP DYNAMICS, WHAT'S IMPORTANT TO FOCUS ON?

My belief is that team psychological safety is important, i.e. a shared belief held by members of a team that it's OK to take risks, to express their ideas and concerns, to speak up with questions, and to admit mistakes — all without fear of negative consequences. As Amy Edmondson (Professor of Leadership at Harvard Business School) puts it, “it's felt permission for candor.” In our work with psychological safety, we have worked with “the power of mistakes”, and we have therefore included questions about this in our ongoing employee surveys.

HOW DO YOU FIND OUT IF YOU'RE ON THE RIGHT TRACK IN THE HR WORK?

Apart from how our customers perceive us and the stark economic results we look at the employee engagement. It refers to how connected an employee feels to their work,



Charlotte Arup, Group Chief Human Resources Officer

their colleagues, and the wider business. We've done engagement studies every year in the Nordic countries and will now start do the same in Region South. The studies are done by the Workday Peakon employee voice survey. The different factors that contribute to employee engagement, including work culture, environment, relationships, and development opportunities, are rated by our employees. A new base line in rating throughout the group will be set and quantified goals will subsequently be set in the engagement rating.

YOU HAVE COINED THE PHRASE “BRING THE BEST TO THE REST”, WHAT DOES IT MEAN?

By being a relatively large and heterogenous organization we get the possibility to harvest the best practices identified in the different parts of it. Four HR teams have been established, in Denmark, Sweden, France and Spain. These teams have a continuous close cooperation and will share best practices and knowledge both in the development of new concepts as well as in the daily work. Thus, we all have a common group mindset which comes into play – even when we solve tasks locally.

A man in a blue suit and light blue tie is standing in a library, looking down at an open book he is holding. He is positioned in front of tall bookshelves filled with many books. The lighting is soft, and the background is slightly blurred, emphasizing the man and the book.

Experts delivering mission-critical knowledge

Karnov Group co-operates with more than 7,000 experts in law, tax law and other regulations by summarising, explain and clarify legal texts, preparatory works, court cases, regulations, etc. The experts have a background in academia, the judiciary, the legal profession, or other related activities. They act mainly as authors and provide comments in their areas of expertise.

To ensure qualitative texts, Karnov carefully selects the experts. This selection is reciprocal, making it attractive also from the expert's point of view to collaborate. It is Karnov belief that being an author brings prestige.

The collaboration with experts is mission-critical and Karnov interacts with its experts in multiple ways:

- Regular NPS (Net Promoter Score) measurements.
- Dialogue through Karnov's publishers, editors and employees in the training department.
- Events, awards
- Advisory committees
- Product development collaborations
- Inspirational lectures
- Social media and newsletters.

Remuneration is either fixed fees and/or variable remuneration, based on sales and revenue.

Environment

Committed to play a part

Karnov is committed to playing its part in reducing greenhouse gas emissions and material sourcing. Karnov Group's environmental impact occurs mainly in GHG-emissions and use of material resources.

SUPPLIERS AND MATERIAL

Data storage

Karnov stores a large amount of data as part of its operations. The data is stored at third party server providers. The criteria in choosing providers are geographical location and information and operational security. All Karnov Group's platform data is stored in Europe.

ELECTRONICS

Employees have the opportunity to purchase electronic devices (e.g. computers, mobile phones) that has completed its life cycle within the business but is still in good working order. Electronics is also refurbished before and handed to new employees. Electronics is finally recycled according to standard practice.

PUBLISHING BUSINESS

Karnov Group publishes a large number of titles as part of its publishing activities printed by third parties using FSC certified paper. The paper raw material comes from within EU (Sweden, Finland, Spain, the Czech Republic and Poland and other countries).

GHG REDUCTION

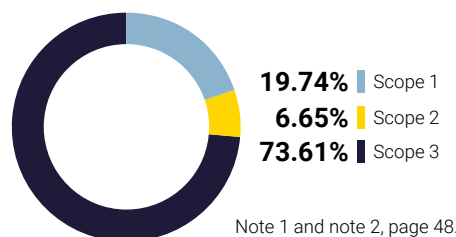
The set target "Reduction of the Scope 3 emissions" is chosen as Scope 3 accounts for the main part of the GHG emissions, 95%. The emission hotspots are paper and printed material, attributable to the publishing business, IT equipment purchases, catering for employees and related to events, business travel and data storage.

Karnov is in close contact with its suppliers and service providers in how to reach GHG reductions, e.g. demanding fossil free energy input.

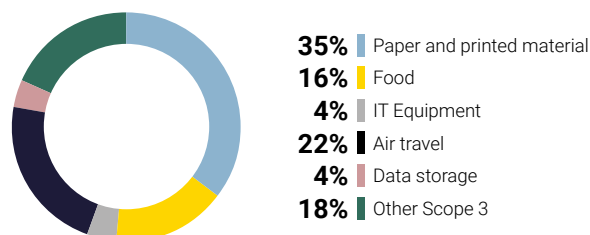
During 2023 Karnov has focused on activities related to reducing its energy consumption and moving to renewable energy in Norway and Region South. This has made an impact.

The Groups electricity consumption has decreased in combination with a larger share of renewable energy. In addition, the Group has had a decrease in emissions from company vehicles.

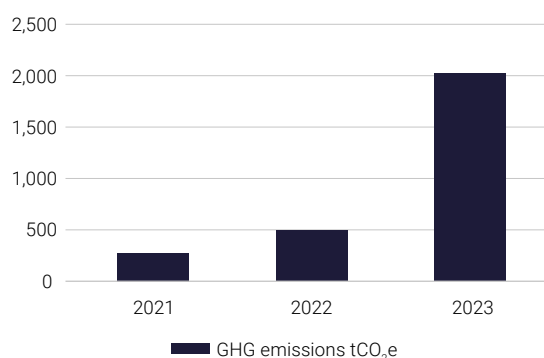
DISTRIBUTION GHG EMISSIONS, %



GHG EMISSIONS SCOPE 3, %



GHG EMISSIONS tCO₂e



EU taxonomy

BACKGROUND

In order to achieve the EU's 2030 climate and energy targets and to meet the objectives of the European Union's Green Deal, a classification system for sustainable economic activities called the EU Taxonomy came into force in 2020. Large companies are partly required to report the share of their activities covered by the taxonomy and partly required to report the proportion of its activities that are consistent with the taxonomy, i.e. are sustainable based on defined scientific review criteria set out in the Taxonomy Regulation for the activity. The criteria for "significant contribution" aim to establish that the economic activity either has a significant positive environmental impact or significantly reduces negative impacts on the environment. The criteria for 'does not cause significant damage' aim to establish that the economic activity does not prevent the other environmental objectives from being achieved, i.e. does not have a significant negative impact on them. Taxonomy-appropriate activities must also be carried out in accordance with the minimum level of safeguards, i.e. sustainable activities must respect basic human rights and follow good business practices. The taxonomy regulation is a work in progress and does not yet cover all sustainable activities in the market. Karnov Group's activities are not the focus of the current legislation and has no economic activities to report on. 2023 is the first year Karnov Group reports on the Taxonomy.

ACCOUNTING PRINCIPLES FOR THE EU TAXONOMY

The key performance indicators reported in the EU taxonomy are presented in separate tables for turnover, capital expenditure and operating expenditure as defined in the Regulation. Total turnover is Karnov Group's total revenue in 2023 in accordance with IFRS15, which is consistent with the definition of EU taxonomy turnover. The external sales related to the economic activities are similarly reported under activities covered by the taxonomy, either under taxonomy related or not taxonomy related. The total capital expenditure is Karnov Group's total capital expenditure in 2023, which is reported in the line of additions, excluding goodwill additions, in Note 10, 13 and 31 (Intangible assets, Property, plant and equipment and Leasing). The proportion of capital expenditure covered by the taxonomy, either taxonomy related or not taxonomy related, is capital expenditure related to the assets or processes associated with the respective economic activity. Total operating expenditure includes all direct costs not recorded as assets that relate to research and development, short-term leases, maintenance and repair or any other direct expenditure related to the day-to-day servicing of tangible fixed assets. The proportion of operating expenditure covered by the taxonomy, whether taxonomy-related or not, is operating expenditure related to the assets or processes associated with the respective economic activity. The taxonomy requires enterprises to comment on how double counting has been avoided in the taxonomy-supported economic activities. Karnov Group has done this based on our cost structures and ensured that the cost elements are separate for each activity, facilitated by the limited amount of transactions made between different activities.

EU Taxonomy KPIs for 2023	Turnover, MSEK	Turnover, %	CapEx, MSEK	CapEx, %	OpEx, MSEK	OpEx, %
Eligible and aligned	0	0%	0	0%	0	0%
Eligible and not aligned	0	0%	0	0%	0	0%
Non-eligible activities	2,475	100%	187	100%	1,953	100%
Total	2,475	100%	187	100%	1,953	100%

For full disclosure of Karnov's EU taxonomy, please refer to note 3, page 49.
For mandatory information on nuclear energy related activities, see note 4, page 52.

Engagement with interested parties

Karnov Group has the ambition to contribute daily to sustainable development in the entire value chain. By collaborating with stakeholders, we see an opportunity for each activity to have a greater impact and lead to synergies. These partnerships create many different contact surfaces, which are important for networking as well as for sharing knowledge and insights. We intend to continuously increase

these partnerships while evaluating the ones we have today. With our products and solutions, we also want to contribute to a better governed society. We do this through the content we deliver in digital and printed form.

Below is a summary of stakeholder engagement and how we work with our stakeholders:

INTERESTED PARTIES	SUSTAINABILITY CORE	COMMUNICATION, COLLABORATION AND VALUE CREATION
Customers	Sustainable products and services Diversity and gender equality Digitalisation Quality of data and content Information security, data protection Responsibility for the environment and working conditions Economic viability Regulatory developments including interpretations and practices	<ul style="list-style-type: none"> • Regular NPS (Net Promoter Score) measurements • Ongoing dialogue via Key Account Managers and Support • Customer events, awards • Advisory committees and focus groups • Surveys focusing on customer experience, customer benefits, insights from which drive innovation and product development.
Suppliers	Supplier code (environment, human rights and good working conditions, regulatory compliance) Actively working towards more sustainable development Good technology and systems Information security, data protection	<ul style="list-style-type: none"> • Supplier dialogues • Collaborations
Partners (authors and experts)	Good and sustainable working relationships. Information security and quality. Insight into innovation and product development. Responsibility for the environment and working conditions. High quality technologies and systems.	<ul style="list-style-type: none"> • Regular NPS (Net Promoter Score) measurements • Dialogue through publishers, editors and legal training staff • Events, awards • Advisory committees • Collaboration on product development • Inspirational lectures • Social media and newsletters.
Shareholders and investors	Sustainable economic value creation (growth and profitability), business ethics Laws, regulations and standards Stability, development, quality and customer satisfaction	<ul style="list-style-type: none"> • Annual reports and interim reports • Annual General Meeting • Karnov Group's website (karnovgroup.com) • Investor meetings and conferences
Employees	Good working conditions and responsibility for the climate. Development opportunities. Diversity, inclusion and equality. Information security and data protection Innovation and product development Health and safety Sustainable products and solutions.	<ul style="list-style-type: none"> • Employee dialogues. • Employee surveys. • Training and development opportunities. • Personal development goals.
Society and legal sector	Responsibility for the environment and working conditions. Laws, regulations and standards.	<ul style="list-style-type: none"> • Karnov Group's mission is to contribute positively to the rule of law through our products and solutions. We facilitate the digitalisation of professionals' work, leading to increased efficiency.
Media	Sustainable products and services Diversity and gender equality Digitalisation Quality of data and content. Information security, data protection Responsibility for the environment and working conditions Sustainable economic value creation and profitability. Legal changes.	<ul style="list-style-type: none"> • Press releases • Interviews • Karnov Group website • Social Media • Annual reports and interim reports
Students	Sustainable products and services Digitalisation Quality of data and content Responsibility for the environment and working conditions Regulatory developments including interpretations and practices	<ul style="list-style-type: none"> • Collaborations with universities • Internships and employment of students • Sponsorship and events • Awards

KARNOV GROUP GOVERNANCE FRAMEWORK

POLICY	AIM	OWNER-SHIP	FOLLOW-UP
Code of conduct	Serves as the foundation for Karnov's corporate values and ethical commitment and describes the core principles of the Group's business conduct and integrity including business ethics. It is intended to provide guidance regarding what behaviour is expected from each employee in their daily work and what can be expected from the Group as an employer. It is also essential for customers and business partners to always feel confident that Karnov not only complies with legal requirements but also meets high ethical and professional standards. Authors and suppliers shall pay due attention to the Code.	Group CHRO	Signed by all employees, authors and customers. Senior personnel such as supervisors and managers, have an extended responsibility to engage in ethical issues and to translate the Code and other associated governing policies into local rules and procedures. Our Code of Conduct applies to all employees, clients and suppliers as well as the authors and experts we work with.
Equality policy, Diversity and equality section in personnel handbook	Using information, Karnov shall increase awareness of equality issues and strive for an open attitude and equal treatment throughout the organisation.	Group CHRO	Employee survey conducted twice a year through external and independent supplier.
Whistleblower function	Good relationships, a healthy working environment and exemplary business ethics are crucial to the long-term success of Karnov. It is important for us to identify corruption, irregularities or fraudulent acts that can seriously damage the business or negatively impact our employees, and that such incidents are investigated at as early a stage as possible. For this reason, we have set up a whistleblower function. Karnov has implemented an external setup to ensure anonymity and has established a Group Ethics Committee to guarantee impartial action.	Chairman of the Board	All information reported by whistleblowers is handled by an external party before being presented to the Group's Ethics Committee. Karnov's Chairman of the Board is primarily responsible for the whistleblower function, while the Group's Human Resources Manager is responsible for the practical management.
Communication policy and social media guidelines	Provides all employees at Karnov with a set of shared guidelines for internal and external communication including social media and crisis communication. It also describes the division of responsibilities and the spokesperson structure for media contacts.	Group CHRO	The policy is reviewed and reported annually, with control routines in place and reported quarterly.
Information security policy	Sets out that Karnov should embed security in the Group's daily work and monitor compliance to protect our customers, Karnov as a company, our brand, our employees and our business against interruptions and outages, as well as reducing risk and loss by preventing and managing unwanted incidents and breaches.	Group CISO	Information Security Board implemented with regularly scheduled meetings.
Business Continuity Policy	The purpose of this plan is to provide executive management, all staff and other relevant stakeholders with an assurance that the Company is prepared for and able to take actions to restore the most business-critical processes, functions and systems in the case of a disaster in an efficient way.	Group CEO	This policy is reviewed annually. Furthermore, an action plan is in place as well as guidelines regarding crisis communication.
Privacy policy	The policy sets out how the Group processes and protects personal data. The policy also focuses on compliance initiatives conducted to ensure compliance with applicable data protection legislation at all times.	Group Head of Content Strategy and Quality	Karnov has two Data Protection Officers (DPOs) and Compliance Officers working within the company's content and quality department.
Anticorruption	Karnov has zero tolerance for bribery and corruption. This is clearly expressed in the Karnov Code of Conduct, which all employees sign upon employment.	Group CEO	All employees sign our Code of Conduct. Our policies, information and training prevent violations.

Sustainability risks and risk management

Karnov Group's materiality analysis has been based on a dual perspective, where Karnov Group has taken into account both the impact of sustainability risks on the Company, as well as the extent to which the Company has an impact on society and the environment (so-called dual materiality). The materiality analysis provides Karnov Group with an understanding of which sustainability areas are of greatest importance.

The results of the analysis provide important guidance for sustainability work and also help identify the focus of the Group's reporting. The ambition is also to validate material sustainability issues in dialogue with stakeholders.

The 2023 materiality analysis has identified a number of priority sustainability areas. They are presented in the table below:

RISK	RISK AREA	RISK MANAGEMENT
ENVIRONMENT - SUPPLY CHAIN AND MATERIAL FLOWS		
Management of materials/resources and increased circularity	Electronics purchases, use and energy consumption have an environmental impact. So do paper purchases and consumption within the Group and waste.	<p>Karnov Group's electricity consumption is limited by environmentally efficient electricity consumption solutions in our rented properties.</p> <p>We recycle electronics within the Group through the resale of electronics to employees. The remaining electronics are recycled or reused.</p> <p>Much of the Group's waste is recycled, including books, glass, pawn, lamps (incl. fluorescent tubes), batteries, electronics, cardboard, plastic, metal and paper. Waste that cannot be recycled is sorted as combustible and managed according to standard practice.</p>
Ecosystem services and biodiversity	Our paper consumption has an environmental impact and a risk that the forest raw material used comes from countries at risk of deforestation.	Karnov Group only purchases FSC-certified paper and ensures that the raw material used comes from responsibly managed forests. Possible deforestation linked to our printed material is a risk that we must continuously manage.
ENVIRONMENT - CLIMATE IMPACT		
Climate impact - greenhouse gas emissions	<p>Karnov Group operations do not include environmentally hazardous activities. Our negative environmental impact is mainly attributed to our publishing, our business travel, our data storage, energy consumption in our offices and food and catering for employees and at events.</p> <p>There is also a risk that we will not meet the expectations of employees and customers to conduct structured environmental and climate work. This is an important prerequisite for us to be a good and competitive player in the market.</p>	Karnov Group calculates and reports greenhouse gas emissions according to the Greenhouse Gas Protocol (GHG) and we have chosen to use activity-based carbon accounting. This enables us to raise awareness of our emission hotspots and climate impact and to educate internally, set targets that drive desirable behaviour and over time reduce our emissions.
SOCIAL - QUALITY AND SAFETY		
Information security	<p>The information in the services we provide to our customers is sensitive. We need to protect it from e.g. cyber threats, and ensure that it is handled within legal requirements and guidelines.</p> <p>Information security incidents and any failures in their management can have significant financial consequences and put at risk our trust and position in the market.</p>	<p>Karnov Group has a group-wide information security function - the Information Security Board. The function is responsible for information security within Karnov Group and drives the day-to-day security efforts and monitors compliance to protect our customers, our company, our brand, our employees and our business, from disruptions and business interruptions, and to mitigate risk and loss by avoiding and managing unwanted events and breaches. Karnov Group has established information security procedures and processes that are overseen by the Information Security Board.</p> <p>The company's data is stored on servers in Europe to ensure compliance with GDPR. Karnov Group uses technical protection against cyber threats and has internal procedures and processes in place to regulate and ensure sufficient protection of the information we hold. The protection is regularly evaluated internally. To strengthen the knowledge of our employees, we conduct annual training courses in both information security and GDPR.</p>

RISK	RISK AREA	RISK MANAGEMENT
SOCIAL – BUSINESS ETHICS		
Anticorruption	Karnov has zero tolerance for bribery and corruption. This is clearly stated in the Karnov Code of Conduct. The risk of corrupt behaviour is relatively limited and arises mainly in connection with purchases and sales.	Good relationships, a healthy working environment and exemplary business ethics are crucial to Karnov's long-term success. It is important for us to identify corruption, irregularities and fraud that could seriously damage the business or have a negative impact on our employees, and that such incidents are investigated at the earliest possible stage. A whistleblowing function has been established to make it easy for those who wish to come forward with information about irregularities that contravene applicable laws, ethical and moral principles, or Karnov's policies. Karnov has implemented an external function to ensure anonymity and has established an Ethics Committee at Group level to ensure that actions taken are impartial. Karnov's Code of Conduct also covers bribery and corruption and the Code is communicated to and signed by all employees.
SOCIAL - EMPLOYEES		
Ability to attract and retain talent	Access to skilled people and expertise is critical to Karnov Group's business and to delivering high quality content and solutions. The competence, commitment and relationship with our employees, authors and experts are key factors in ensuring that our customers are satisfied with our products and solutions. If Karnov Group employees are unhappy and disengaged, it can lead to reduced productivity and terminations. If the Karnov Group brand is damaged, there is also a risk that it will be more difficult for Karnov Group to retain and attract new employees and specialists.	Karnov Group strives to create an attractive and healthy working environment. We actively and continuously promote the development of a customer centric culture, which contributes to a strong brand. Assessment of the company's ability to maintain a healthy workplace with satisfied employees and a focus on attracting, developing and retaining employees, is based on employee surveys, exit interviews, analysis of employee turnover and sickness and other absences. Karnov Group continues to further develop its employment offering. Karnov Group's Code of Conduct and employee handbook are guiding instruments for a healthy working environment. Karnov Group also focuses on maintaining a strong platform of authors and experts in their respective markets through ongoing dialogues, networking meetings and attractive compensation terms. Karnov Group continuously measures the satisfaction of authors and experts through an author-specific Net Promoter Score survey (which measures the likelihood of recommending Karnov Group as a partner).
Discrimination and inequality	Discrimination on the grounds of gender, age, ethnicity, religion and sexual orientation is unlawful and failure to do so can lead to a breach of trust, a less favourable working environment resulting in reduced productivity, difficulties in recruiting and retaining staff, as well as legal claims.	Karnov Group has zero tolerance in relation to discrimination and harassment. No one shall be subjected to discrimination or harassment related to gender, transgender identity and expression, ethnicity, religion or belief, disability, sexual orientation or age. This is set out in the Code of Conduct and in the Diversity and Equality section of the Employee Handbook. We believe that treating each other with respect and dignity ensures a healthy and productive working environment. The company has established procedures for dealing with discrimination and harassment in the workplace.

RISK	RISK AREA	RISK MANAGEMENT
Stress & mental illness	A socially sustainable workplace starts with sustainable employees. Sustainable employees require sustainable working conditions and are a prerequisite for the long-term and stable development of Karnov Group. Factors such as stress, long working hours and physical working conditions that negatively affect the work environment increase the risk of work-related injuries and illnesses. This can lead to sick-leaves, which means that we are unable to perform our duties satisfactorily.	Social sustainability and socially sustainable business require a work-life balance, and that we work to prevent harmful stress and sick leave. Focusing on protective factors while minimising risk factors will be crucial to improving the health and work capacity of employees. Karnov Group aims at a good working environment where physical, organisational and social aspects of the working environment are central. Our employees have access to occupational healthcare, and we have good opportunities to work proactively with health. We conduct employee surveys twice a year. These provide ongoing information on stress levels, health and employee satisfaction. The outcome of these is evaluated by Karnov Group's management and initiatives are launched based on the analysis. The initiatives are driven by the Human Resources department.
Flexible workplace	Employee health and well-being are two key factors in Karnov Group's commitment to delivering high quality content and solutions. There is a risk that employees working from home will have less ergonomic workstations, resulting in a risk of injury.	Karnov Group intends to continue to offer a flexible workplace with the possibility to work at home. Employees have been given the opportunity to have their work tools installed at home. Regular pulse checks have been carried out during the pandemic.

SOCIAL - RESPECT FOR HUMAN RIGHTS

Social responsibility, human rights and environmental considerations in the supply chain	Karnov Group may be exposed to risks related to the environment, working conditions, human rights and corruption, among others, through suppliers. Our paper consumption has a negative environmental impact and there is risk that the raw material used comes from countries at risk of deforestation. Otherwise, we see no obvious risks of human rights violations as a result of our operations. Karnov Group does not operate in countries identified as high-risk in this regard.	The Karnov Group only purchases FSC-certified paper and ensures that the raw material used comes from responsibly managed forests. Possible deforestation linked to our printed material is a risk that we have to manage on an ongoing basis. Karnov's Code of Conduct is partly based on the UN Guiding Principles on Human Rights and must be adhered to by all employees. Our Code of Conduct also applies to suppliers.
Societal expectations	Society's expectations of the role of business in sustainable development are increasing. If Karnov Group does not align with society's expectations, there is an increased risk that we will not be seen as a relevant player in the market and for our employees. In the long run, this would have a negative impact on our business.	Through ongoing dialogue with stakeholders, we work to understand the expectations of the industry in general and the Karnov Group in particular. In addition, our industry report, "The Future of the Legal Profession, contributes to industry insights. By sharing these insights and our knowledge, generating discussion and driving debate on issues important to the industry, we believe we can contribute to the industry and society.

NOTE 1 DECLARATION SCOPE 1-3

Scope 1 - direct greenhouse gas emissions, i.e. those that the activity has directly control. This includes, for example, greenhouse gas emissions from own vehicles.

Scope 2 - indirect emissions, from the production of electricity, district heating and district cooling.

Scope 3 - indirect greenhouse gas emissions, in addition to purchased energy, that occur outside the boundaries of the activity. Scope 3 greenhouse gas emissions are usually divided into upstream and downstream depending on whether they occur before or after the company's own activities in the chain. Upstream can be, for example, material consumption, transport and distribution to customers, employee commuting, business travel, production of equipment and downstream there is e.g. processing, use and finishing of products sold.

NOTE 2 GHG EMISSIONS

GHG EMISSIONS, METRIC TONNES CO₂ EQUIVALENTS (MARKET-BASED)

	2023	2022	2021
Scope 1	401	0.4	0.3
Scope 2	135	54	57
Scope 3*	1495	443	218
Total market based GHG emissions	2,031	497	275
Total local based GHG emissions	2,223	473	247
*Of which significant Scope 3 emissions for Karnov Group			
Paper and printed material	521	229	154
Food	236	65	20
IT Equipment	67	72	6
Air travel	336	39	19
Data storage	59	27	13
	1,219	432	212

NOTE 3 EU TAXONOMY

**PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES
ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES 2023**

Fiscal year 2023	2023			Substantial Contribution Criteria						DNSH criteria (‘Does Not Significantly Harm’)										
Economic Activities (1)	Code (2)	Absolute turnover (3)	Proportion of Turnover (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A1) or eligible (A2) turnover 2022 (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)	
		"Millions, SEK"	%	Y / N / N/EL						Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES			0%																	
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
		0	0%	-	-	-	-	-	-								0%			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0%	0%	0%	
Of which enabling		0	0%							Y	Y	Y	Y	Y	Y	Y	0%			
Of which transitional		0	0%							Y	Y	Y	Y	Y	Y	Y	0%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
			0%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%															0%		
Total (A.1+A.2)		0	0%															0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		2 475	100%																	
Total (A+B)		2 475	100%																	

**PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES
ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES 2023**

Fiscal year 2023	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')											
Economic Activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A1) or eligible (A2) CapEx 2022(18)	Category (enabling activity) (20)	Category (transitional activity) (21)		
		Millions, SEK	%	Y / N / N/EL						Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. TAXONOMY-ELIGIBLE ACTIVITIES			0%																		
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																					
		0	0%	-	-	-	-	-	-								0%				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0%	0%	0%		
Of which enabling		0	0%							Y	Y	Y	Y	Y	Y	Y	0%				
Of which transitional		0	0%							Y	Y	Y	Y	Y	Y	Y	0%				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																					
		0	0%																		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%															0%			
Total (A.1+A.2)		0	0%															0%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Capex of Taxonomy-non-eligible activities		187	100%																		
Total (A+B)		187	100%																		

**PROPORTION OF OPEX FROM PRODUCTS OR SERVICES
ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES 2023**

Fiscal year 2023	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned (A1) or eligible (A2) OpEx 2022(18)	Category (enabling activity) (20)	Category (transitional activity) (21)
	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
		Millions, SEK	%	Y / N / N/EL						Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			0%																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
		0	0%	-	-	-	-	-	-								0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0%	0%	0%
Of which enabling		0	0%							Y	Y	Y	Y	Y	Y	Y	0%		
Of which transitional		0	0%							Y	Y	Y	Y	Y	Y	Y	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		0	0%																
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%														0%		
Total (A.1+A.2)		0	0%														0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		1 953	100%																
Total (A+B)		1 953	100%																

NOTE 4 MANDATORY INFORMATION ON NUCLEAR ENERGY RELATED ACTIVITIES

ROW	NUCLEAR ENERGY RELATED ACTIVITIES	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	FOSSIL GAS RELATED ACTIVITIES	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Karnov Group AB (publ),
corporate identity number 559016-9016

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the statutory sustainability report for the year 2023 on pages 32-52 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means

that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

A statutory sustainability report has been prepared.

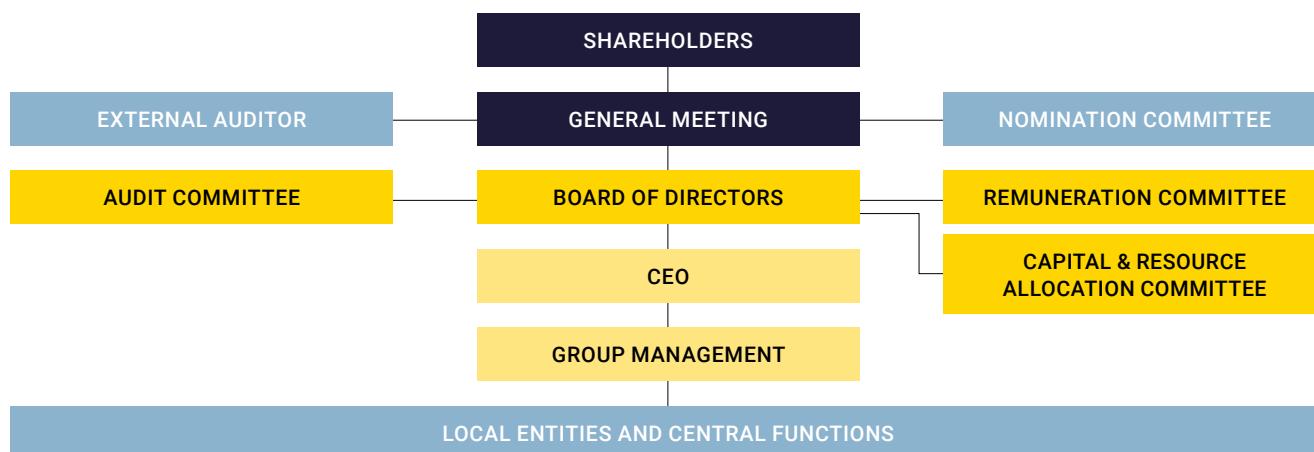
Stockholm, 22 March 2024
PricewaterhouseCoopers AB

Martin Johansson
Authorized Public Accountant
Auditor in charge

Patrik Larsson
Authorized Public Accountant

Corporate Governance Report

Karnov Group AB (publ) is a Swedish limited liability company domiciled in Stockholm, Sweden. Karnov Group AB (publ) was listed at Nasdaq Stockholm in April 2019 and has since applied The Swedish Corporate Governance Code ("the Code"). For 2023, the Company reports no deviations from the Code.



CORPORATE GOVERNANCE WITHIN KARNOV GROUP

The Corporate Governance within Karnov Group is mainly based upon Swedish legislation, e.g. the Swedish Companies Act, as well as the articles of association and internal rules, including policies and instructions. Companies whose shares are listed on a regulated market in Sweden shall also be compliant with the Code. The Code sets a higher standard for good corporate governance than the minimum standard of the Swedish

Companies Act and other rules. Companies are not required to comply with all rules in the Code. Alternative solutions which are deemed more suitable for the relevant company's specific circumstances can be chosen, provided that any such deviations and the chosen alternative solutions are described, and the reasons therefore are explained.

GENERAL MEETINGS

General

According to the Swedish Companies Act, the general meeting is the ultimate decision-making body of the Company. At the general meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and statements of financial position, appropriation of the Company's results, discharge from liability of members of the Board of Directors and the CEO, election of members of the Board of Directors and auditors and remuneration to the Board of Directors and the auditors.

The annual general meeting must be held within six (6) months from the end of the financial year. In addition to the annual general meeting, extraordinary general meetings may be convened. According to the articles of association, general meetings are convened by publication of the notice convening the meeting in the Official Swedish Gazette (Sw. Post- och Inrikes Tidningar) and on the Company's website. The Company shall also advertise in Dagens Industri that notice has been made.

Right to attend general meetings

Shareholders who wish to participate in a general meeting must be included in the shareholders' register maintained by Euroclear Sweden AB ("Euroclear") on the day falling five weekdays (Saturdays included) prior to the meeting, and notify Karnov Group of their participation no later than on the date stipulated in the notice convening the meeting. In addition to notifying the Company, shareholders whose shares are nominee registered through a bank or other nominee must request that their shares be temporarily registered in their own names in the shareholders' register maintained by Euroclear in order to be entitled to participate in the general meeting. Shareholders should inform their nominees well in advance of the record date. Shareholders may attend general meetings in person or by proxy and may be accompanied by not more than two advisors.

Shareholder initiatives

Shareholders who wish to have a matter brought before the general meeting must submit a written request to the Board of Directors. The matter shall be addressed at the general meeting, provided that the request was received by the Board of Directors no later than one (1) week prior to the earliest date pursuant to the Swedish Companies Act on which notice to attend the general meeting may be issued or after that date, but in due time for the matter to be included in the notice to attend the general meeting.

NOMINATION COMMITTEE

Pursuant to the Code, Swedish companies whose shares are admitted to trading on a regulated market in Sweden are to have a nomination committee. The Annual General Meeting on

May 10, 2022, resolved to adopt the below instruction for the nomination committee, which shall apply until further notice.

Instruction for the nomination committee of Karnov

The Nomination Committee shall be composed of the representatives of the three largest shareholders (or group of shareholders) in terms of voting rights listed in the shareholders' register maintained by Euroclear Sweden AB as of the last business day of August, and the chairman of the Board of Directors, who will also convene the first meeting of the Nomination Committee.

Board members may be members of the Nomination Committee but may not constitute a majority thereof. If more than one Board member is a member of the Nomination Committee, no more than one of those members may be dependent of a major shareholder of the Company.

The member representing the largest shareholder in terms of voting rights shall be appointed chairman of the Nomination Committee. Members of the Board of Directors may not be the chairman of the Nomination Committee. If the member representing the largest shareholder in terms of voting rights is a Board member, the Nomination Committee shall appoint another member as chairman.

In the event that a member leaves the Nomination Committee prior to the work of the committee having been completed, a representative from the same shareholder (or group of shareholders) may replace the leaving member, if deemed necessary by the Nomination Committee. In the event that a shareholder (or group of shareholders) represented in the Nomination Committee has reduced its holding of shares in the Company, the representative from such shareholder (or group of shareholders) may resign and, if deemed appropriate by the Nomination Committee, a representative from the shareholder next in line in terms of size may be provided an opportunity to enter. If the shareholding in the Company is otherwise significantly changed before the Nomination Committee's work has been completed, a change in the composition of the Nomination Committee may take place, in such way that the Nomination Committee deems appropriate. Changes in the composition of the Nomination Committee shall be made public as soon as possible.

The composition of the Nomination Committee is to be announced no later than six months before the AGM.

The Nomination Committee is tasked with, ahead of the AGM, submitting proposals for a) chairman of the AGM, b) directors' fees and other compensation for committee work, c) election of directors, d) election of the chairman of the Board of Directors, e) election of the auditor and auditor's fees, f) changes in the instructions for the Nomination Committee, if applicable, and g) other matters that according to the Swedish Corporate Governance Code, are to be handled by the Nomination committee.

In its evaluation of the Board of Directors' appraisal, and in its proposal, the Nomination Committee shall consider that the Board of Directors is to have a composition appropriate to the Company's operations, phase of development and other relevant circumstances. The Board members elected by the general meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The Nomination Committee is to strive for gender balance on the Board of Directors of the Company.

Remuneration shall not be paid to the members of the Nomination Committee. The Company is to pay any

necessary expenses that the Nomination Committee may incur in its work.

The term of office for the Nomination Committee ends when the composition of the following Nomination Committee has been announced.

Nomination committee for the Annual General Meeting in 2024

- Ulrik Grönvall (Chair), Portfolio Manager, Swedbank Robur, Sweden;
- Ted Keith, Portfolio Manager, Long Path Partners, USA;
- Isak Lenholm, Analyst, Carnegie Fonder, Sweden; and
- Magnus Mandersson, Chairman of the Board of Directors, Karnov Group AB (publ).

THE BOARD OF DIRECTORS

Composition and independence

Members of the Board of Directors are normally appointed by the annual general meeting for the period until the end of the next annual general meeting. According to the Company's articles of association, the general meeting shall appoint no less than three (3) and no more than ten (10) board members. Pursuant to the Code, the Chairman of the Board shall be appointed at the general meeting. No more than one board member elected by the general meeting may be a member of the executive management of the Company or a subsidiary of the Company. The majority of the board members elected by the general meeting are to be independent of the Company and its executive management. At least two (2) of the board members who are independent of the Company and its executive management shall also be independent in relation to the Company's major shareholders. See "Board of Directors, Senior Executives and Auditor" on page 61 for an account of the board members' independence in relation to the Company, its executive management and its major shareholders.

Responsibilities of the Board

The Board of Directors is the Company's second-highest decision-making body after the general meeting. The duties of the Board of Directors are primarily set forth in the Swedish Companies Act, the Company's articles of association and the Code. In addition, the work of the Board of Directors is guided by the instructions from the general meeting as well as the rules of procedure of the Board of Directors. The rules of procedure of the Board of Directors govern the division of work within the Board of Directors. The Board of Directors also adopts instructions for the committees of the Board of Directors, an instruction for the CEO and an instruction for the financial reporting to the Board. The Board of Directors is responsible for the organisation and the management of the Company's matters, which, among other things, entails a responsibility for outlining overall, long-term strategies and objectives, budgets and business plans, establishing guidelines to ensure that the operations create value in the long term, reviewing and establishing the accounts, making decisions on issues regarding investments and sales, capital structure and distribution policy, developing and adopting material policies, ensuring that control systems exist for monitoring that policies and guidelines are followed, ensuring that there are systems for monitoring and

controlling the operations and risks, significant changes in the organisation and operations, appointing the CEO and, in accordance with the guidelines adopted by the general meeting, setting remuneration and other terms of employment benefits for the CEO and other senior executives.

Work of the Board

The chairman of the Board of Directors is responsible for ensuring that the Board of Directors' work is carried out efficiently and that the Board of Directors fulfils its obligations. The Board of Directors meet according to an annual predetermined schedule. In addition to ordinary board meetings, board meetings may be convened where the chairman considers it to be necessary or a board member or the CEO so requests.

During 2023, the Board held eighteen (18) board meetings, including meetings by correspondence (per capsulam). Prior to each ordinary Board meeting, Board members receive a written agenda, based on the Board's established rules of procedure, and a complete set of documents for information and decision-making. Recurring items include the Company's financial results, the market situation, investments and adoption of the financial statements. Reports from the audit and remuneration committees are also regularly addressed. The Group CEO presents items for discussion at the meetings and attends all board meetings together with the Group CFO, except during the annual performance review of their work. The Company's Head of Investor Relations serves as Board secretary. Other senior executives participate as presenters on specific issues. The company's external auditor meets the Board at least once per year without management participation.

Evaluation of the Board

On an annual basis, the Board shall evaluate its formalities and way of working to ensure that the Board work is well functioning. The evaluation includes strategy and where the Board shall focus and identification of areas where the Board needs additional competence. The evaluation also includes whether the Board composition is appropriate. The Nomination Committee is using the evaluation in its work.

The Chairman of the Board initiates and leads the evaluation of the Board. Evaluation tools include detailed questionnaires and discussions. In 2023, the Board members responded to a written questionnaire covering the Board work in general as well as the work of the respective committees. The results from the evaluations were presented to the Board and were thoroughly discussed. The Nomination Committee was informed of the results of the Board work evaluation.

AUDIT COMMITTEE

The Board of Directors has established an audit committee. Pursuant to the Swedish Companies Act, the members of the audit committee may not be employees of the Company and at least one (1) member must have accounting or auditing qualification. The audit committee currently consists of four members: Lone Møller Olsen (Chairman of the Audit Committee), Ulf Bonnevier, Magnus Mandersson and Salla Vainio. The audit committee's main tasks are to:

- a) monitor the Company's financial reporting and provide recommendations and proposals to ensure the reliability of the reporting;
- b) in respect of the financial reporting, monitor the effectiveness of the Company's internal control, internal audit, and risk management;
- c) keep itself informed about the external audit of the annual report for the Company and the Group as well as regarding the conclusions of the Swedish Inspectorate of Auditors' quality controls;
- d) inform the Board of the result of the external audit and the way in which the external audit contributed to the reliability of the financial reporting, as well as the function filled by the audit committee;
- e) review and monitor the impartiality and independence of the external auditor and, in conjunction therewith, pay special attention to whether the external auditor provides the Company with services other than auditing services; and
- f) assist the nomination committee in conjunction with its preparation of proposals to the general meeting's resolution regarding election of external auditor.

During 2023, the Audit Committee held four (4) meetings at which minutes were taken. Discussions and decisions at all meetings of the Audit Committee have been reported to the Board of Directors.

REMUNERATION COMMITTEE

The Board of Directors has established a remuneration committee. Pursuant to the Code, the Chairman of the Board may be the chairman of the remuneration committee, but the other members of the remuneration committee are to be independent of the Company and its executive management. The remuneration committee currently consists of three members: Magnus Mandersson (Chairman of the Remuneration Committee), Ulf Bonnevier and Salla Vainio. All members of the remuneration committee are independent in relation to the Company and its executive management. The remuneration committee's main tasks are to:

- a) prepare the Board's decisions on issues concerning principles for remuneration, remunerations and other terms of employment for the executive management;
- b) monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the executive management;
- c) monitor and evaluate the application of the guidelines for remuneration of the executive management that the annual general meeting is legally obliged to establish, as well as the current remuneration structures and levels in the Company;
- d) prepare and submit to the Board a report on the monitoring and evaluation to be carried out under the items (b) to (c) above; and
- e) if the Company implements an incentive program for the employees of the Company, ensure that the incentive program is annually evaluated.

During 2023, the Remunerations Committee held three (3) meetings at which minutes were taken. Discussions and decisions at all meetings of the Remunerations Committee have been reported to the Board of Directors.

ATTENDANCE IN BOARD OR COMMITTEE MEETINGS

The following table presents each member of the Board of Directors' attendance in meetings in 2023.

	Board Meetings	Audit Committee	Remuneration Committee
Magnus Mandersson	18/18	4/4	3/3
Ulf Bonnevier	18/18	4/4	3/3
Lone Møller Olsen	18/18	4/4	-
Salla Vainio	18/18	4/4	3/3
Loris Barisa	18/18	-	-
Ted Keith (elected on October 10th, 2023)	2/2	-	-

REMUNERATION TO THE BOARD OF DIRECTORS

The Annual General Meeting on 10 May 2023 resolved on the following remuneration to the members of the Board of Directors until the Annual General Meeting 2024.

(TSEK)	Board fee	Audit Committee fee	Remuneration Committee fee	Total 2023
Magnus Mandersson	775	50	100	925
Ulf Bonnevier	360	50	35	445
Lone Møller Olsen	360	150	-	510
Salla Vainio	360	50	35	445
Loris Barisa	360	-	-	360
Ted Keith	-	-	-	-
Total	2 215	300	170	2 685

*Ted Keith represents the company's largest shareholder, Long Path Partners, and does not receive any fees.

CAPITAL & RESOURCE ALLOCATION COMMITTEE

Starting in 2024, the Board of Directors has established a Capital & Resource Allocation Committee. The members of the committee are Ted Keith (Chairman of the Capital & Resource Allocation Committee), Magnus Mandersson, Salla Vainio and Loris Barisa. All members of the Capital & Resource Allocation Committee are independent in relation to the Company and its Executive Management. The Capital & Resource Allocation Committee's main task is to:

- a) perform review of capital allocation opportunities as well as performance of existing investments.

THE CEO AND OTHER SENIOR EXECUTIVES

Responsibilities and work of the senior executives

The CEO is subordinated to the Board of Directors and is responsible for the day-to-day management and operations of the Company in accordance with the instructions from the Board of Directors. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and the instructions for the CEO. The CEO is responsible for providing the Board of Directors with information and the necessary documentation for decision making. The CEO leads the work of the senior executives and makes decisions after consulting its members. Further, the CEO reports at meetings of the Board of Directors and assures that members of the Board of Directors regularly receive the information required to follow the Company's and the Group's financial position, results, liquidity and development. The CEO and the other senior executives are presented in "Board of Directors, Senior Executives and Auditor" on page 31 in this Annual Report.

Evaluation of the CEO

On an annual basis, the Board shall evaluate the CEO to ensure that the Company is being operated in the best way possible. The evaluation focuses on whether the CEO has accomplished the stated objectives, how the co-operation with the Board of Directors has worked and the general

development of the Company. No Senior Executive is present when the Board is evaluating the leadership of the Company.

The Board has conducted an evaluation in 2023. The results from the evaluations were presented to the CEO and were thoroughly discussed. Further, Karnov also conducts internal engagement reports on half-year basis, where the employees have the possibility to evaluate both the CEO as well as the Senior Executives in elected areas.

Current employment terms for the CEO and the other senior executives

The CEO is entitled to an annual fixed salary of TSEK 6,630 and pension benefits in accordance with Karnov's prevailing pension policy. Provided that certain financial targets set by the Board of Directors are met, the CEO may also receive a bonus. The target bonus is an amount corresponding to 100 percent of the annual fixed salary. Pursuant to the current guidelines for remuneration to the senior executives, the bonus shall not exceed 100 percent of the fixed annual salary. For the CEO, a notice period of 12 months applies in case of termination by Karnov and 6 months in case of termination by the CEO. For the other senior executives, the notice period is up to twelve (12) months in case of termination by Karnov and up to six (6) months in case of termination by the senior executive.

Guidelines for remuneration to the senior executives

The Annual General Meeting on 5 May 2021 resolved on guidelines for executive remuneration. The guidelines encompass salary and other remuneration for the Company's CEO and other senior executives. The guidelines also encompass remuneration to Board members insofar as they receive remuneration in addition to Board fees for services relating to a position covered by these guidelines. The guidelines shall apply to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines at the AGM 2021. These guidelines do not apply to any remuneration resolved by general meeting.

THE GUIDELINES PROMOTION OF THE COMPANY'S BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration. These guidelines enable the Company to offer the executive management a competitive total remuneration. For information about the Company's business model and strategy, see the Company's website (www.karnovgroup.com/).

Long-term share-related incentive plans in form of a share saving program has been implemented in the Company. The plans have been resolved by general meetings in 2019 and 2020, respectively, therefore they are excluded from these guidelines. The plans include among others the CEO and other senior executives in the group. For more information regarding these incentive plans, including the criteria which the outcome depends on, please see <https://www.karnovgroup.com/en/ltip-2023/>.

TYPES OF REMUNERATION

Remuneration and other terms and conditions of employment shall be adequate to enable the Company and the group to retain and recruit skilled senior executives at a reasonable cost. The remuneration to senior executives may consist of fixed remuneration, variable remuneration, pension, other benefits and severance payment and it shall be based on principles of performance, competitiveness and fairness. The general meeting can also, irrespective of these guidelines, resolve on, among other things, share-related or share price-related remuneration.

FIXED REMUNERATION

Each senior executive shall be offered a fixed remuneration in line with market conditions and based on the senior executive's responsibility, expertise and performance.

VARIABLE REMUNERATION

Variable remuneration may comprise of annual variable cash salary and long-term variable pay in the form of cash. Variable remuneration shall be subject to the fulfilment of defined and measurable targets. 60 per cent of the variable remuneration is based on financial performance decided by the Board of Directors based on the Company's financial targets and 40 per cent of the variable remuneration is based on non-financial performance activities decided by Board of Directors to achieve the financial targets and the overall targets of the Company. This creates incentives to promote the Company's business strategy, long-term interests and sustainability.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration for the CEO may amount to not more than 100 per cent of the total fixed annual salary and the variable cash remuneration for the other senior executives may amount to not more than 75 per cent of the total fixed annual salary. Variable cash remuneration shall not qualify for pension benefits unless otherwise provided by mandatory collective agreement provisions.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the Company.

Terms for variable remuneration shall be designed so that the Board of Directors, under exceptional financial conditions, may limit or omit to pay variable compensation if such a measure is deemed reasonable.

In special cases, agreements may be reached on remuneration of a non-recurring nature, provided such remuneration does not exceed an amount corresponding to the individual's total fixed annual salary and maximum variable cash salary, and is not paid more than once per year and per individual.

PENSION

Agreements regarding pensions shall, where applicable, be premium based and designed in accordance with the level and practice applicable in the country in which the senior executive is employed. Senior executives shall receive pension premiums of no more than 35 per cent of the total fixed annual salary.

OTHER BENEFITS

Other benefits, such as a Company car, preventive care, health care and health insurance, may be paid in accordance with customary market terms. The other benefits shall amount to not more than 10 per cent of total fixed annual salary.

TERMINATION OF EMPLOYMENT

Fixed remuneration during notice periods and severance payment, including payments for any restrictions on competition, shall in aggregate not exceed an amount equivalent to the fixed remuneration for 12 months for the CEO and no more than 12 months for other senior executives. No severance pay shall be paid in the case of termination by the employee.

SALARY AND EMPLOYMENT CONDITIONS FOR EMPLOYEES

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

THE DECISION-MAKING PROCESS TO DETERMINE, REVIEW AND IMPLEMENT THE GUIDELINES

The Board of Directors has established a remuneration committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a pro-

REMUNERATION TO SENIOR EXECUTIVES

The following table presents the remuneration paid to the senior executives in 2023, MSEK.

	Wages, bonus and other benefits	Social contributions	Pension benefits	Total
Pontus Bodelsson	12.3	0.0	2.0	14.3
Other senior executives	25.8	3.4	2.7	31.9
Total	38.1	3.4	4.7	46.2

positional for new guidelines at least every fourth year and submit it to the AGM. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the remuneration committee are independent of the Company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

DEROGATION FROM THE GUIDELINES

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the remuneration committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guideline.

Long-term incentive programs to senior executives and other employees

The Annual General Meeting on May 10, 2023, decided to resolve to implement a long-term incentive program in the form of a share saving program (LTIP 2023). The program is directed to the CEO, Group Management and a number of key employees within the Group. 19 employees participate in LTIP 2023. The participants are divided into four categories dependent on position. The participants have allocated a total of 96,845 saving shares to the program.

Participants who retain the Savings Shares during the program's vesting period of at least three years and also remain employed by Karnov throughout the whole vesting period will at the end of the period be eligible for free additional ordinary shares ("Performance Shares"). The allotment of Performance Shares is subject to the satisfaction of certain performance criteria related to the organic growth, organic adjusted EBITDA margin, synergies harvested in Region South as well as achievement of ESG targets, as defined in the annual general meeting's resolution, during 2023–2025. Full allotment of Performance Shares would mean that the total number of shares under the program amount to no more than 366,007 ordinary shares.

The annual general meeting on May 5, 2020 resolved to implement a long-term incentive program in the form of a share saving program (LTIP 2020), directed to the CEOs of Norstedts Juridik AB and Karnov Group Denmark A/S.

In May 2023 the vesting period was completed. A total of 29,474 performance shares was converted from shares of series C and distributed to the participants in June 2023.

INTERNAL CONTROL

General

Karnov has established an internal control system aimed at achieving an efficient organisation that meets the targets set by the Board of Directors. This system includes work to ensure that Karnov's operations are conducted correctly and efficiently, that laws and regulations are complied with and that financial reporting is accurate and reliable and in accordance with applicable laws and regulations. Karnov has chosen to structure internal control work in accordance with the so-called COSO framework, which includes the following elements: control environment, risk assessment, control activities, information and communication as well as monitoring and follow-up.

Content strategy and quality assurance

The Content Strategy and Quality department includes corporate functions for regulatory compliance and information security and has been established to increase control at Group level.

Control environment

Karnov's control environment is based on the distribution of work among the Board of Directors, the committees, the CEO and the CFO and the corporate values on which the Board of Directors and the Group management communicate and base their work. In order to maintain and develop a well-functioning control environment, to comply with applicable laws and regulations, and to ensure compliance within the entire Group with Karnov's desired business practices, the Board of Directors, as the ultimately responsible body, has established a number of basic documents relevant to risk management and the internal control which consists of operational control documents, policies, procedures and instructions. Among these documents are the rules of procedure for the Board of Directors, the instructions for the committees of the Board of Directors, the instructions for the CEO, the instructions for financial reporting, the code of conduct, the communication policy and the insider policy.

Policies, routine descriptions and instructions are distributed to all relevant employees of Karnov through Karnov's intranet. Karnov's employees are obliged to comply with the code of conduct, the communication policy and insider policy, and employees regularly perform relevant tests to ensure they are aware of the content of relevant policies, routine descriptions and instructions.

Diversity

Karnov Group strives for and has a relatively even gender distribution in all parts of the organisation. There is no diversity

policy; however, diversity is taken into account when recruiting employees, senior executives and board members.

Risk assessment

Karnov has established a risk assessment procedure, meaning Karnov conducts annual risk analysis and risk assessments, which are followed-up and reported quarterly. Based on this procedure, risks are identified and categorised according to the following four areas:

- Strategic risks
- Operational risks
- Compliance risks
- Financial risks

Karnov's objective with the risk analysis is to identify the most significant risks that may prevent Karnov from achieving its targets or realising its strategy. The objective is further to evaluate these risks based on the probability that they will arise in the future and to what extent the risks may affect Karnov's targets if they were to occur. Individual risks are assigned a so-called risk owner. The risk owner has a mandate and responsibility to ensure actions and controls are established and implemented. The risk owner is also responsible for monitoring, follow-up and reporting of changes in Karnov's risk exposure to identified risks. Identified risks are reported by the CFO to the audit committee and the Board of Directors. The Board of Directors evaluates Karnov's risk management system, including risk assessments, and shall annually submit a description in which the most important elements of Karnov's internal control and risk management are examined in detail. The purpose of this procedure is to ensure that significant risks are managed and that controls that counteract identified risks are implemented. Read more about risks and risk management on page 70-71.

Control activities

Karnov has established a risk management process that includes a number of key controls of matters that must be in place and function in the risk management processes. The control requirement is an important tool that enables the Board of Directors to lead and to evaluate information from Group management and to take responsibility for identified risks. Karnov focuses on documenting and evaluating the major risks related to financial reporting to ensure that Karnov's reporting is accurate and reliable.

Karnov Group uses a third party GRC (Governance, Risk and Compliance) tool to manage and control, in an efficient and automated way, self-assessments on a quarterly basis.

Information and communication

The Board of Directors of Karnov has adopted an insider policy and a communication policy governing Karnov's management and communication of inside information and other information. The insider policy is intended to reduce the risks of insider dealing and other unlawful behaviour and to facilitate Karnov's compliance with applicable rules regarding the handling of inside information. In addition, Karnov has established procedures for the handling of information and restriction of the dissemination of information. The communication policy describes Karnov's overall focus on communication matters. Karnov's communication shall

be characterised by long-term perspective and trust, reliability as well as proactivity, speed and transparency. The communication shall be accurate, relevant and comprehensive in accordance with Nasdaq Stockholm's rule book for issuers.

Investor Relations function

The purpose of Karnov's investor relations function is to build a long-term knowledge of and trust in Karnov's operations and value creation, whilst ensuring that Karnov complies with applicable regulations. Karnov's investor relations function handles regular contacts with shareholders, analysts, investors, financial journalists, Nasdaq Stockholm, the Swedish Financial Supervisory Authority and other capital market participants and coordinates general meetings, analyst meetings and capital market presentations. The Head of Investor Relations is responsible for this function, reporting to the CFO.

ESG Committee

The purpose of Karnov Group's ESG Committee is to oversee the Group's work with sustainability issues and to achieve the objectives set by the Board of Directors. The Company's Head of Content Strategy and Quality is responsible for the ESG Committee, which reports annually to the Board of Directors.

Monitoring and follow-up

A self-assessment of internal control requirement effectiveness shall annually be performed and followed-up quarterly and facilitated by the CISO. The CISO must document the self-assessment for the CFO. The CFO is responsible for presenting the result to the audit committee and the Board of Directors. Karnov has a group-wide monitoring process by which the entities and functions shall follow up the effectiveness of controls and report back to the CISO.

External audit

The auditor shall review Karnov Group's financial report and accounting, as well as the management of the Board of Directors and the CEO. Since the Company is a parent company, the auditor shall also review the consolidated accounts and the Group companies' relations to each other. The audit of Karnov's financial reports and accounts as well as the management by the Board of Directors and the CEO is conducted in accordance with generally accepted auditing standards in Sweden. Following each financial year, the auditor shall submit an auditor report and a consolidated auditor report to the annual general meeting.

Karnov's auditor is PwC. Martin Johansson is the auditor in charge. For more information about the auditor, see "Board of Directors, senior executives and auditor—Auditor".

In 2023, the total remuneration for audit services to Karnov's auditor was SEK 7.5 (3.6) m, of which SEK 7.1 (3.4) m was invoiced by PwC. Remuneration for other audit services was SEK 0.8 (1.0), m of which SEK 0.7 (0.9) m was invoiced by PwC.




Shareholders representing more than 10% of the votes

Long Path Partners is the only shareholder who has a direct or indirect shareholding in the company representing at least one tenth of the voting rights of all shares in the company.




Board of Directors, Group Management Team and Auditor

BOARD OF DIRECTORS

According to Karnov's articles of association, the Board of Directors shall consist of three to ten members. The Board of Directors currently consists of five members, appointed for the period until the close of the annual general meeting 2024. The section below presents the members of the Board of Directors, their position, the year of their initial election, whether or not they are considered to be independent in relation to the Company, its executive management and its major shareholders as well as their shareholding in Karnov.




Board of Directors				
	Name	Magnus Mandersson	Loris Barisa	Ulf Bonnevier
	Position	Chairman of the board since March 2018. Chairman of the remuneration committee and member of the audit committee.	Board member since 2021	Board member since February 2018. Member of the audit committee and the remuneration committee.
	Born	1959	1966	1964
	Education	Bachelor of Science in Business Administration, Lund University.	Technical high school degree	Bachelor of Science in Business and Accounting, Uppsala University. Leadership training (IFL), Stockholm School of Economics.
	Other ongoing assignments	Chairman of Tampnet AS. Board member of Albert Immo Holding S.à.r.l., PMM Advisors S.A. and Interogo Foundation (supervisory council, Beirat). Senior Independent Director of Helios Towers Africa Plc.	Wealth Manager, Coeli	CFO of Tampnet.
	Previous positions	Chairman of Next Biometrics Group ASA, Doro AB and Red Bee Media Sweden AB. Board member of Lund University. Executive vice president of Telefonaktiebolaget LM Ericsson.	Managing Director (Europe) & Member of Operating Committee Thomson Reuters (Markets), Chairman of Finwire AB.	CFO and Executive Vice President of Humana AB. Country Director of Ipsos. CFO Western Europe of Synovate. CEO of Wolters Kluwer Scandinavia.
	Own and closely associated holdings	174,842 shares	10,000 shares	27,000 shares
Independence under the Code	Independent in relation to Karnov and its executive management as well as Karnov's major shareholders.	Independent in relation to Karnov and its executive management as well as Karnov's major shareholders.	Independent in relation to Karnov and its executive management as well as Karnov's major shareholders.	




BOARD OF DIRECTORS

Board of Directors	  			
	Name	Ted Keith	Lone Møller Olsen	Salla Vainio
	Position	Member of the Board since October 2023.	Board member since February 2018. Chairman of the audit committee.	Board member since May 2020. Member of the audit committee and the remuneration committee.
	Born	1987	1958	1969
	Education	B.S. from the Massachusetts Institute of Technology and an MBA from Harvard Business School.	Master of Science in Economics and Business Administration, Copenhagen Business School. State authorized public accountant/Chartered accountant, Danish Ministry of Business Affairs.	Master of Science in Economics, Helsinki School of Economics.
	Other ongoing assignments	Partner and Portfolio Manager at Long Path Partners, Senior Lecturer at MIT Sloan School of Management.	Board member of Jetpak AB, KNI A/S, Investeringsforeningen Bankinvest, Kapitalforeningen Bankinvest Vælger, Kapitalforeningen Pensiondanmark EMD, Kapitalforeningen BI Private Equity, Kapitalforeningen Bankinvest Select, Investeringsforeningen Bankinvest Engros and Investeringsforeningen BI. Executive officer of LMO 5265 ApS.	Chairman of Save the Children, Finland, Board member of FCG Ltd and member of Directors' Institute.
	Previous positions	Different positions at the Blackstone Group and Berkshire Partners.	Partner at Deloitte Denmark.	CEO of Marketing Clinic, Fondia Plc and SanomaPro. Board member of Helsinki School of Economics Support Foundation, QPR Software Plc. Chairman of the Board of Motiva Ltd.
	Own and closely associated holdings	0 shares	11,976 shares	6,000 shares
	Independence under the Code	Independent in relation to Karnov and its executive management. Dependent in relation to Karnov's major shareholders.	Independent in relation to Karnov and its executive management as well as Karnov's major shareholders.	Independent in relation to Karnov and its executive management as well as Karnov's major shareholders.



GROUP MANAGEMENT TEAM



The group management currently consists of ten persons. The section below presents the senior executives, their position, the year each person became a senior executive and their shareholdings in Karnov Group.

Group Management										
	Name	Pontus Bodelsson			Magnus Hansson			Charlotte Arup		
	Position	President and CEO since 2021			CFO since 2023			Group Chief Human Resources Officer since 2017.		
	Born	1967			1973			1965		
	Education	Master of Laws and Executive MBA.			MSc in Business and Economics, Jönköpings universitet.			Master of Laws, University of Copenhagen.		
	Other ongoing assignments	Board member of Bodelsson Consulting AB.			Board member of Östersjövågen Invest AB.			Chairman of Grosserer Gert Lassen & hustru Margrethe Familiefond and BHA Fonden.		
	Previous positions	CEO of the media group Sydsvenskan/HD and Nationalencyklopedin/NE.			CFO of Lime Technologies			Chairman of Tempus Heat A/S. HR Manager in Kyocera Unimerco Tooling A/S.		
	Own and closely associated holdings	52,000 shares			3,774 shares			24,192 shares		

Group Management										
	Name	Alexandra Åquist			Guillaume Deroubaix			Anne Nørvang Hansen		
	Position	CEO Region North (Denmark and Sweden) since 2023.			CEO Region South (France, Spain, Portugal) since 2023.			Group Head of Content Strategy since 2012.		
	Born	1973			1970			1969		
	Education	Studies in law, University of Stockholm.			LL.M. (Master of Laws International Business Law) at University of Dijon.			Master of Science in Modern Languages and Business Administration, Copenhagen Business School.		
	Other ongoing assignments				-			-		
	Previous positions	Head of Sweden, ARAG Group and Head of Individual Fund-raising, UNICEF Sweden.			COO of LexisNexis France and Managing Director of LexisNexis MENA.			Various positions in the company's content team under Thomson Reuter's ownership.		
	Own and closely associated holdings	4,651 shares			11,160 shares			592,163 shares		

GROUP MANAGEMENT TEAM

Group Management				
	Name	Niels Munk Hansen	Jonathan Minzari	
	Position	Chief Strategic Development Officer since 2023.	Chief Emerging Ventures and M&A Officer since 2023.	
	Born	1971	1975	
	Education	Master of Laws, University of Copenhagen. MBA, INSEAD.	M.Sc. in Economics and Business Administration from Copenhagen Business School.	
	Other ongoing assignments	Chairman of Densou Media A/S.	Various Board positions in stand-alone entities held by Karnov Group.	
	Previous positions	CEO of auxil.dk, VP Stations DSB A/S.	Various leadership positions in Karnov Group since 2012, Head of Marketing in KPMG Denmark, Head of Marketing & Communications Zitech, Consultant Kunde & Co.	
	Own and closely associated holdings	19,388 shares	4,111 shares	

Group Management				
	Name	Magnus Svernlöv	Jan Ullerup	
	Position	Executive manager for the EHS entities since May 2019.	Group Chief Technology Officer since December 2022.	
	Born	1963	1976	
	Education	MBA INSEAD Fontaiebleau, LL.M. Stockholm University, M.Sc.E.E., Chalmers University of Technology, B.Sc. Finance and Economics, Gothenburg University.	Datamatiker from Lyngby Uddannelsescenter.	
	Other ongoing assignments	Board member Tickster AB, XNSE AB, Envitool AB and Kopparklinton AB.	-	
	Previous positions	Founder Notisum AB and Envitool (Shanghai) Management Consulting Co, CFO Nimbus Boats AB.	VP of Architecture at TDC Group and Head of Development at Telmore.	
	Own and closely associated holdings	3,774 shares	3,774 shares	

ADDITIONAL INFORMATION REGARDING THE BOARD MEMBERS AND SENIOR EXECUTIVES

All Board members and senior executives can be reached at Karnov's address: Warfvinges väg 39, SE 112 51 Stockholm, Sweden. There are no family ties between any of the Board members and/or the senior executives. There are no conflicts of interest or potential conflicts of interest between the Board members' and Senior Executives' duties to Karnov and their private interests or other duties. However, some Board members and senior executives hold shares in Karnov. There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any Board member or Senior Executive was elected or appointed to his or her current position. During the past five years, none of the Board members or Senior Executives have

- (i) been convicted for fraudulent offences,
- (ii) been involved in or represented a company which has been declared bankrupt or filed for compulsory liquidation or been subject to receivership,
- (iii) been the subject of official public incrimination or sanctions (or accused of such actions) by statutory regulatory authorities (including designated professional bodies) or
- (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory body of a company or from acting in the management or conduct the affairs of a company.

AUDITOR

The annual general meeting on 10 May 2023 re-elected PricewaterhouseCoopers AB, corporate registration number 556067-4276, as auditor for the period until the close of the annual general meeting 2024. Martin Johansson has been the auditor in charge since 2022. Martin Johansson is an authorised public accountant and member of FAR (the Institute for the Accountancy Profession in Sweden). PricewaterhouseCoopers AB's address is c/o PricewaterhouseCoopers AB, SE-113 97 Stockholm, Sweden.

Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders in Karnov Group AB (publ),
corporate identity number 559016-9016

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the corporate governance statement for the year 2023 on pages 54-64 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit

conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINIONS

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 22 March 2024
PricewaterhouseCoopers AB

Martin Johansson
Authorized Public Accountant
Auditor in charge

Patrik Larsson
Authorized Public Accountant

Board of Directors' Report

The Board of Directors and CEO of Karnov Group AB (publ), corporate identity number 559016-9016, hereby present the annual report and consolidated financial statements for the 2023 financial year. Unless otherwise stated, amounts are reported in millions of Swedish kronor (MSEK). Terms such as "Karnov," "the company," "the Group," refer in all cases to the parent company, Karnov Group AB (publ), and its subsidiaries.

BUSINESS

Karnov is a leading provider of online and offline professional information products and services in the areas of legal, tax and accounting and environmental, health and safety in Europe. Karnov has a broad offering of online and offline information and workflow products and solutions that aim to deliver value to Karnov's customers based on a solid understanding of the complexity of its customers' businesses. Karnov's products are largely digital, including subscription-based online solutions for law firms, tax and accounting firms, corporates and the public sector including courts, universities, public authorities and municipalities. Karnov also publishes and sells offline books and journals and hosts legal training courses.

In 2023, Karnov is organised into three reporting segments; Region North, Region South and Group functions

In 2023, Region North represented 44 percent and Region South 56 percent, of Karnov's net sales, respectively. The segment Group functions did not have any reported net sales. Karnov assesses financial performance based on a number of alternative performance measures, including adjusted EBITA and cash generation. For more information on these, please refer to page 109. The Board of Directors' report also presents proforma numbers for 2022, in which Region South's estimated financial results for 2022 have been included. The proforma numbers have been included to assist the reader with comparability between financial years. The proforma numbers have not been reviewed or audited by the company's auditors. For more information on proforma, please refer to page 112.

Revenue model

Karnov's online offering consists of subscription-based products and solutions, whereas the offline offering consists of both subscription-based and non-subscription-based products and solutions.

In 2023, 87 (88) percent of Karnov's net sales came from subscriptions paid annually in advance.

Market

In 2023, Karnov's operations were in the legal and tax & accounting professional markets in Europe. These markets encompass, among other things, online information database services, printed information sources, legal practice management software and legal training courses. The products and services are generally offered to law firms, tax and accounting firms, corporates in a wide range of industries and the public sector, including courts, libraries, universities and other public authorities and municipalities.

Karnov's product offerings are, with a few variations, similar on all markets. Given that the markets have separate legal systems and the languages are different, the content of the product offering is unique in each of the countries.

Objectives and growth strategy

Karnov's value proposition involves three overall objectives:

- Deliver the highest quality of content
- Provide a state-of-the-art user experience
- Support workflow efficiency

Karnov's growth strategy includes a number of strategic initiatives and enablers aiming to allow Karnov to expand its core offerings on the current markets as well as grow in adjacent verticals and expand geographically in the future. The growth strategy is built on Karnov's key strengths and the vision to enable its customers to make better decisions, faster. The strategy is supported by Karnov's existing base of experts, data sources, customers and partners. These are the core elements in Karnov's history and future, in which Karnov has invested over decades.

Group structure

Karnov Group AB (publ) is the Group's parent company and owns 100 percent of the shares in the holding company KARN Holdco AB, which in turn owns 100 percent of the shares in the holding companies Karnov Group Holdco DK ApS, Karnov Group Holding AB and Karnov AB.

Karnov Group Holding AB owns 100 percent of the shares in the holding companies Karnov Holdco France SAS and Karnov Holdco Spain SL. Furthermore, Karnov Group Holding AB owns 100 percent of the shares in DIBkunnskap AS and Echoline SAS and 40 percent of the shares in Karnov Group Norway AS.

Karnov Group Holdco DK ApS owns 100 percent of the Danish operating companies Karnov Group Denmark A/S, DIB Viden A/S, BELLA Intelligence ApS and Nørskov Miljø ApS, as well as 85.9 percent of the shares in LCB ApS and 55.1 percent of the shares in Ante ApS. Furthermore, the Danish holding company has invested in 49 percent of the shares in ProcurementLink ApS.

Karnov AB owns 100 percent of the shares in the operating companies Norstedts Juridik AB and Notisum AB and 20 percent of the shares in LEX247 Cloud Service AB. Furthermore, Karnov AB owns 100 percent of the shares in the Danish legal tech start-up company Onlaw ApS.

Karnov Holdco France SAS owns 100 percent of the shares in Lamy Liaisons SAS.

Karnov Holdco Spain SL owns 100 percent of the shares in Editorial Aranzadi S.A., LA LEY Soluciones Legales S.A., LA LEY eLearning S.A., and Jusnet Unipessoal Lda.

For more information see Note 14.

Significant events in 2023

Karnov Group entered into new credit facilities agreement to refinance existing debt

Karnov Group AB (publ) entered into a new 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 the Company's existing facilities agreement.

Karnov Group announced updated medium-term and long-term financial targets

The updated financial targets are:

- An annual organic net sales growth of 4-6 percent in the medium-term;
- An annual adjusted EBITA margin in excess of 25 percent in the medium-term and an adjusted EBITA margin in excess of 30 percent in the long-term; and
- A net debt, excluding leasing liabilities, relative to the LTM adjusted EBITDA of not more than 3.0x.

THE GROUP'S FINANCIAL DEVELOPMENT

MSEK	2023	2022	Δ %
Net sales	2,474.6	1,113.5	122.2%
Organic growth, %	4.3%	9.2%	
EBITA	370.0	254.3	45.4%
EBITA margin, %	15.0%	22.8%	
Adjusted EBITA	487.7	363.8	34.1%
Adjusted EBITA margin, %	19.7%	32.7%	

Net sales

Net sales increased by 122.2 percent to SEK 2,475 m (actual 1,114, proforma 2,286). Organic growth was 4.3 percent, currency effects had a positive impact on net sales of 3.4 percent and acquired growth accounts for 114.5 percent.

Earnings

EBITA amounted to SEK 370 m (actual 254, proforma 339) and the EBITA margin was 15.0 percent (actual 22.8, proforma 14.8). Adjusted for items affecting comparability, adjusted EBITA increased to SEK 488 m (actual 364, proforma 448) and the adjusted EBITA margin was 19.7 percent (actual 32.7, proforma 19.6). Items affecting comparability amounted to a total of SEK 120 m (109) and were mainly related to post-merger integration and restructuring costs.

Operating profit (EBIT) was SEK 156 m (actual 79, proforma 163).

Depreciation and amortisation

Depreciation and amortisation amounted to SEK -368 m (-234). The higher amortisation was driven by investments in intangible assets from finalised development projects and acquired entities.

During the fourth quarter an impairment testing was undertaken on the Group's cash-generating units, defined as Region North and Region South. None of the cash-generating units had a book value exceeding its recoverable amount, and therefore no goodwill impairment has been recorded in 2023.

Share of profit in associated companies

Share of profit in associated companies amounted to SEK -5 m (-12).

Net financial items and profit before and after tax

Net financial items amounted to SEK -116 m (-17).

Net financial items were affected by currency differences of SEK 18 m (-6) related to long term loans in DKK and EUR.

Profit before income tax was SEK 34 m (50). The income tax was SEK 3 m (10).

Net result for the period was positive and amounted to SEK 37 m (60).

Cashflow and investments

Cash flow from operating activities amounted to SEK 337 m (276). The overall development in the cash flow was in line with expectations due to seasonal invoicing fluctuations, mainly relating to trade receivables.

Cash conversion	31 Dec 2023	31 Dec 2022
MSEK		
Adjusted EBITDA	636.9	422.0
Adjusted operating cash flow	483.9	423.0
Cash conversion, %	76.0%	100.2%

Total investments amounted to SEK -221 m (-1,740), mainly from investments in intangible assets.

The Group's investments in intangible and tangible fixed assets amounted to SEK -163 m (-93).

Financial position

Net Debt	31 Dec 2023	31 Dec 2022
MSEK		
Total borrowings	2,206.2	2,483.3
Cash and cash equivalents	450.6	671.2
Net debt	1,755.6	1,812.1
Leverage ratio	2.8	3.1
Equity	2,337.1	2,326.3
Equity/asset ratio, %	33.7%	31.8%

Net debt was SEK 1,756 m (1,812) at the end of the period. The leverage, defined as net debt in relation to adjusted EBITDA excluding leasing liabilities, was 2.8x (3.1). Total net debt calculation is updated to total borrowings including capitalised bank costs less leasing liabilities and cash and cash equivalents.

Equity amounted to SEK 2,337 m (2,326) and the equity ratio was 33.7 percent (31.8).

Cash and cash equivalents amounted to SEK 451 m (671). The Group had unutilized credit lines of SEK 777 m (SEK 198 m).

THE BUSINESS SEGMENTS' PERFORMANCE**Region North**

MSEK	2023	2022	Δ %
Net sales	1,085.8	999.3	8.7%
Organic growth, %	4.4%	9.2%	
Adjusted EBITDA	511.3	462.7	10.5%
Adjusted EBITDA margin, %	47.1%	46.3%	
Adjusted EBITA	441.5	408.1	8.2%
Adjusted EBITA margin, %	40.7%	40.8%	

Net sales

Net sales increased by 8.7 percent to SEK 1,086 m (999), of which organic growth was 4.4 percent, currency effects accounted for 3.6 percent and 0.7 percent was acquired growth.

The increase in net sales is driven by the businesses gaining market shares, especially in the public sector, municipalities and the EHS vertical and by upselling to existing customers.

Earnings

Adjusted EBITA was SEK 442 m (408) and the adjusted EBITA margin was 40.7 percent (40.8).

Region South

MSEK	2023	2022	Δ %
Net sales	1,388.8	114.2	1,116.1%
Organic growth, %	3.8%	-	
Adjusted EBITDA	208.4	13.8	1,410.1%
Adjusted EBITDA margin, %	15.0%	12.1%	
Adjusted EBITA	129.1	10.1	1,178.2%
Adjusted EBITA margin, %	9.3%	8.8%	

Net sales

Net sales amounted to SEK 1,389 m (actual 114, proforma 1,286). Currency effects had a positive impact of 7.9 percent compared to proforma. The net sales development was stable with positive development in online sales, offset by declining offline sales.

Earnings

Adjusted EBITA was SEK 129 m (actual 10, proforma 95) and the adjusted EBITA margin was 9.3 percent (actual 8.8, proforma 7.3).

Group functions

MSEK	2023	2022	Δ %
Net sales	-	-	
Adjusted EBITA	-82.9	-54.4	-52.4%
Adjusted EBITA margin, %			

Earnings

The Group functions cover the Group wide tasks such as Group Management (including information security, compliance and HR), Investor Relations and Group Finance functions.

Adjusted EBITA was SEK -83 m (-54).

OTHER GROUP INFORMATION**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

The average number of full-time equivalents (FTEs) amounted to 1,226 (371), of which 100 in Sweden, 157 in Denmark, 35 in Norway, 308 in France and 625 in Spain and Portugal. On average during the year, 56 (51) percent of the workforce was female, and 44 (49) percent was male.

Karnov aims to create an attractive workplace where employment and attracting competence are key focus areas. Karnov seeks to inspire and support the development of a culture defined by a one-team-one-company where the customer comes first, and efficient collaboration is being promoted. The HR strategy is aimed at ensuring that Karnov attracts and retains talent and inspires to high performance with high motivation, ultimately contributing to a strong brand.

Environmental impact and sustainability

Karnov's Code of Conduct is the basis for how all employees shall relate to environmental concerns. Karnov strives to protect the environment as far as technologically possible and economically feasible. The objective is to minimise Karnov's environmental footprint and continuously develop the environmental initiatives, with focus on the areas deemed as the most important: purchasing, distribution and transportation, energy and water usage, and waste management.

For Karnov, sustainability is closely connected with how the company creates long-term value for its stakeholders and acts as a quality player and an attractive employer. Karnov considers this work to be about by combining expertise with new technology in an increasingly digitized world, strengthening the foundation for justice in the society. The work is based on Karnov's core values. Karnov has further developed and adopted new policies in the areas of Code of Conduct, IT, information security and data integrity and also implemented a whistleblower function. Karnov has prepared a Sustainability Report in accordance with the requirements of the Swedish Annual Accounts Act. The Sustainability Report includes pages 32-52, disclosures according to the EU Taxonomy Regulation on pages 43 and 49-51, the section on risks and risk management on pages 46-48 and the business model on page 17.

Share capital and ownership

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

On 31 December 2023, the registered share capital amounted to SEK 1,663,150 and 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. All shares have been issued in accordance with Swedish law and are denominated in SEK. 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 2023, the Company had 1,320 known shareholders. The largest shareholders with 5% or more of the shares outstanding in Karnov Group AB (publ) are listed in the below table.

Shareholders with >5% of equity	No of shares	Equity %
Long Path Partners	14,589,550	13.5%
Invesco	11,448,288	10.6%
Swedbank Robur Fonder	7,653,207	7.1%
Carnegie Fonder	7,000,000	6.5%
Didner & Gerge Fonder	5,613,570	5.2%
Total	46,304,615	42.8%
Other shareholders	61,797,432	57.2%
Total number of shares	108,102,047	100.0%

The parent company

The parent company's registered office is in Stockholm. The Parent Company's main business consists of managing shares in subsidiaries and is primarily focused on strategic development, economic control, corporate governance issues, and the work of the board of directors.

Net sales for the year amounted to SEK 0 m (0). Operating profit amounted to SEK -21 m (-7) and profit for the period was SEK 215 m (23).

Guidelines for remuneration to senior executives

The CEO is entitled to an annual fixed salary of TSEK 6,630 and pension benefits in accordance with Karnov's prevailing pension policy. The target for the CEO's variable remuneration corresponds to an amount equal to 100 percent of the annual fixed salary and is determined based on financial targets that are set by the Board of directors each year. Pursuant to the current guidelines for remuneration to the senior management, the variable remuneration shall not exceed 100 percent of the annual fixed salary for the CEO and 75 percent for other senior executives. For the CEO, a notice period of 12 months applies in case of termination by the Company and 6 months in case of termination by the CEO.

For the other senior executives, the notice period is up to twelve months in case of termination by the Company and up to six months in case of termination by the senior executive.

Guidelines for remuneration to the senior executives was adopted by the AGM on May 5, 2021.

Outlook for the coming financial year

Karnov issues no financial forecasts regarding its future growth. Karnov has a strong position in an attractive and growing segment of professional information services in Europe. This market is characterised by stable customers in both the private and public sector facing an increasingly complex and rapidly changing regulatory environment, leading to a growing need for high qualitative content supporting workflow efficiency. Karnov has a resilient business model since the customer base is diverse with low churn and the subscriptions-based invoicing generates strong cash flows and predictable revenue streams.

The invasion of Ukraine and expanded conflict between Israel and Palestine pose 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 believes that the combination of its extensive database built over 200 years, value-adding content, investments in product development, strong brand legacy and online platform is key to enabling its customers to make better decisions, faster.

Events after the balance sheet date

Karnov Group launched an Acceleration Initiative to generate further customer value and profitable growth. The Acceleration Initiative shall generate additional cost-efficiencies of 10 EUR m within the Group. The Acceleration Initiative shall have full effect on run-rate basis by the end of 2026. Cost-to-achieve is estimated to EUR 14 m.

Appropriation of profit

The Board of Directors of Karnov proposes that the Group's and the Parent Company's income statements and balance sheets be presented for adoption to the annual general meeting to be held on May 8, 2024. Karnov Group intends to utilise the free cash flow to invest in the Group's Acceleration Initiative for further profitable growth. The Board of Directors proposes no dividend for the AGM on May 8, 2024.

Non-restricted equity in the parent company at the disposal of the Annual General Meeting

SEK	2023
Share premium	2,654,034,291
Retained earnings	-173,988,689
Net result	215,285,288
Total carried forward	2,695,330,890
The Board proposes that the profits be appropriated as follows:	
Proposed dividend	-
Amount carried forward	2,695,330,890

RISKS AND RISK MANAGEMENT

Like all businesses, Karnov's operations are associated with risks that may impact the Group's business, earnings and financial position. On a yearly basis, Karnov makes an overall risk assessment in which all risks are graded according to probability and impact. Focus is placed on identifying risks, preventing the occurrence of risks and preparing action plans, which enable mitigation of any damage such

risks may cause. The risks are divided into strategic, operational and financial risks. On basis of the analysis above, policies are formed, followed by procedures to ensure that the policies are followed. The risks Karnov has identified as the most material in its operations, and the ways in which these are managed, are described below. For more information about the risk assessment procedure see the Corporate Governance report on page 54.

Significant risk areas and risk management

RISK	DESCRIPTION	RISK MANAGEMENT
STRATEGIC AND OPERATIONAL RISKS		
Market changes and competition	Karnov operates in highly competitive markets for legal information services in Denmark, Sweden, Norway, France, Spain and Portugal. These markets and the products and services themselves (both online and offline), may change due to factors beyond Karnov's control, including changes in customer demand, the impact of consolidation, technological changes, legislative and regulatory changes, entry of new competitors, disruptive business models and other factors. There is a risk that new market entrants will disrupt current business models, leading to lower customer demand and financial loss. Karnov could also be required to invest significant amounts to enhance its products and services or partner with other businesses.	Karnov monitors the industry and the competitive landscape in terms of possible partnerships and acquisition candidates. Karnov has a continuous dialogue with its customers and partners. Customer satisfaction is measured on a regular basis through a Net Promotor Score survey.
Cybersecurity	A significant breakdown or other disruption (such as a cyberattack) on an online platform or in an IT system could affect Karnov's ability to conduct its operations and fulfil its customer commitments. There is also a risk that trade secrets or personal data or other sensitive information about employees or customers, could be used incorrectly or disclosed if Karnov was exposed to security breaches.	A business contingency plan has been adopted to handle disruptions due to unforeseen events. Since Karnov processes a lot of customer and employee data, there is a potential risk that this information may be leaked or lost if the company does not work continuously to ensure a high level of information security, with updated processes, software and IT solutions. An information security policy and guidelines have been implemented which all employees are expected to comply with. An Information Security Board has been established and contributes to high IT security standards and awareness within the Group.
Acquisitions	Growth through acquisitions, large and small, is part of Karnov's strategy. This entails a risk that Karnov will not identify suitable acquisition targets, that the company will not successfully negotiate acceptable terms, or be able to finance the acquisitions. Even if Karnov finds suitable targets, it may not obtain relevant regulatory approvals such as clearances from competition authorities. Acquisition also entails a risk that Karnov will be exposed to unknown obligations in the acquired company or that the acquisition and integration costs will be higher than expected. In addition, acquisitions of less profitable businesses may have negative impact on Karnov's margins. Integration of acquired entities and organisational changes may also result in key individuals leaving the organisation or loss of customers.	Karnov has an experienced organisation for identifying and making acquisitions in line with its strategy. Over the years, Karnov has established and implemented a structured and systematic acquisition process that requires analysis, documentation and sufficiently approval prior to each acquisition. Karnov also establishes a detailed integration plan for the acquisition decision to reduce the risk of increased integration costs.

RISK	DESCRIPTION	RISK MANAGEMENT
Technical shortcomings	Any shortcomings in functionality or that cause interruptions in the availability of Karnov's services and solutions, including user errors, may lead to loss of or delayed market acceptance and usage of the company's services and solutions. This may also lead to warranty claims, issuance of customer credits, or refund of prepaid charges for unused services, loss of customers, or reallocation of resources to development and customer service. Finally, such shortcomings may damage Karnov's reputation.	Karnov has defined and enforces a set of IT Security policies, procedures and appropriate security measures. Controls are performed according to the approved annual cycle. A Group major incident process is implemented and together with the establishment of a Group IT Change Board this helps ensure both a controlled IT environment and agile deployment process for customer facing online services.
Dependence on key personnel and expertise	Karnov is dependent on a variety of expert competencies and key individuals to deliver high quality content and solutions. If Karnov fails to retain senior executives and key personnel and authors/specialists or to recruit highly skilled personnel and author/specialists, this could hamper Karnov's future expansion and brand.	Karnov has a strong focus on attracting, developing, and retaining skilled and dedicated employees. Karnov has continued to work on developing its employee offering including incentive programmes for key personnel and initiatives to develop Karnov's employer brand and appeal as a workplace. Karnov also focuses on maintaining a strong author base across our markets by continuous dialogue, networking events and attractive remuneration terms. Karnov continuously measures employee and author satisfaction. For more information see sustainability risk areas on pages 47-48.
Public tenders	Some of Karnov's customers within the public sector in Sweden are required by law to acquire products and services via public procurement. A public procurement and a decision to award a contract won by Karnov may be challenged by other tenderers or potential tenderers even after Karnov has incurred significant expenditures. Such appeal procedures may not only lead to costs and time loss for Karnov but may also lead to a new public procurement process and loss of the awarded contract. Public procurement legislation also provides for the cancellation of public sector contracts awarded in breach of the legislation.	Karnov has an experienced organisation and a structured process for public tenders and continuously monitors changes in the public procurement framework.
FINANCIAL RISKS		
Goodwill and other intangible assets	Goodwill represents a significant part of Karnov's balance sheet. Depending on the results of operations in the future, Karnov may have to make write-downs of its asset values.	Impairment tests are conducted annually, or, if necessary, more often based on significant events or changes. Karnov monitors relevant circumstances that affect the business and the possible impact these would have on the valuation of goodwill and other intangible assets. There was no impairment need at the end of the period based on the impairment test prepared.
Liquidity and financing risks	Liquidity risk is defined as the risk that Karnov will be unable to meet its payment obligations. Financing risk is defined as the risk that financing of outstanding loans becomes impossible or costlier. Inadequate access to financing for investments could lead to limited growth opportunities. If Karnov is compelled to change its subscription-based models, it could have an impact on the company's cash flow, and therefore on the company's ability to attract financing.	Karnov manages liquidity risk by maintaining a liquidity reserve (cash, bank balances, and an unutilised portion of existing credit lines). Karnov's finance department seeks to maintain agreements on available lines of credit and conducts ongoing aggregate cash flow forecasts and rolling forecasts to ensure adequate liquidity for the operations. The company strives to raise credit with safe maturities and maintains a high level of transparency with its creditors. The Group finance department analyses compliance with the financial covenants on an ongoing basis.
For a description of further financial risks, see note 3.		
Sustainability risks	For a description of sustainability-related risk areas, see pages 47-48.	

Consolidated statement of comprehensive income

MSEK	Note	2023	2022
Net sales	5	2,474.6	1,113.5
Total revenue		2,474.6	1,113.5
Costs of goods sold		-365.3	-157.9
Employee benefit expenses	7	-1,131.1	-400.5
Depreciations and amortisations	10,13,31	-367.8	-233.8
Other operating income and expenses	6	-454.2	-242.5
Operating profit (EBIT)		156.2	78.8
Share of profit in associated companies	11	-5.4	-11.7
Financial income	8	35.5	23.2
Financial expenses	8	-151.9	-40.3
Profit before tax		34.4	50.0
Tax on profit for the year	9	2.5	9.9
Profit for the year		36.9	59.9
Other comprehensive income:			
Items that may be reclassified to the income statement:			
Exchange differences on translation of foreign operations		-26.6	111.0
Actuarial gains/losses on defined benefit plans		2.0	0.2
Other comprehensive income for the year		-24.6	111.2
Total comprehensive income for the year		12.3	171.1
Profit for the year is attributable to:			
Owners of Karnov Group AB (publ)		38.2	59.9
Non-controlling interests		-1.3	-
Profit for the year		36.9	59.9
Total comprehensive income for the year is attributable to:			
Owners of Karnov Group AB (publ)		13.6	171.1
Non-controlling interests		-1.3	-
Total comprehensive income for the year		12.3	171.1
Earnings per share, basic, SEK	21	0.34	0.56
Earnings per share, after dilution, SEK	21	0.34	0.56
Weighted average number of ordinary shares (thousands)	21	107,862	107,847
Effect of performance shares (thousands)	21	240	255
Weighted average number of ordinary shares adjusted for the effect of dilution (thousands)	21	108,102	108,102

Consolidated Balance sheet

MSEK	Note	Dec 31 2023	Dec 31 2022
ASSETS:			
Non-current assets			
Goodwill	10	3,251.1	3,249.6
Other intangible assets	10	2,233.1	2,391.0
Right-of-use assets	31	201.1	236.7
Property, plant and equipment	13	41.2	45.4
Investments in associated companies	11	48.8	54.3
Other financial investments		13.0	-
Loans to associated companies		25.2	25.7
Deposits	12,15	7.7	12.4
Deferred tax assets	23	135.4	122.5
Total non-current assets		5,956.6	6,137.5
Current assets			
Inventories	17	18.7	20.5
Trade receivables*	15,16	411.9	405.2
Prepaid expenses	18	57.5	46.2
Other receivables		10.6	6.3
Tax receivables		26.6	39.4
Cash and cash equivalents	15,19	450.6	671.2
Total current assets		975.9	1,188.8
TOTAL ASSETS		6,932.5	7,326.2
MSEK			
EQUITY AND LIABILITIES:			
Share capital	20	1.7	1.7
Share premium		2,654.0	2,654.0
Treasury shares		0.0	0.0
Reserves		-253.4	-226.8
Retained earnings including net profit for the year		-65.3	-109.1
Total equity attributable to the parent company's shareholders		2,337.0	2,319.8
Non-controlling interests		-	6.5
Total equity		2,337.0	2,326.3
Non-current liabilities			
Borrowing from credit institutions	15,22	2,123.0	2,483.3
Lease liabilities	31	179.1	214.4
Deferred tax liabilities	23	342.3	413.1
Provisions	24,25	78.4	60.6
Other non-current liabilities		52.5	88.2
Total non-current liabilities		2,775.3	3,259.6
Current liabilities			
Borrowing from credit institutions	15,22	83.2	-
Trade payables	15	111.3	137.6
Current tax liabilities		30.0	20.5
Accrued expenses	27	479.5	498.7
Prepaid income*	28	921.7	902.6
Lease liabilities	31	52.8	52.5
Other current liabilities	26	141.6	128.4
Total current liabilities		1,820.1	1,740.3
TOTAL EQUITY AND LIABILITIES		6,932.5	7,326.2

* comparison numbers have been adjusted in accordance with IFRS 15 section 12., please also refer to note 2.

Consolidated statement of changes in equity

MSEK	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, 2023	1.7	2,654.0	0.0	-226.8	-109.1	2,319.8	6.5	2,326.3
Profit for the year	-	-	-	-	38.2	38.2	-1.3	36.9
Other comprehensive income for the year	-	-	-	-26.6	2.0	-24.6	-	-24.6
Total comprehensive income/loss	-	-	-	-26.6	40.2	13.6	-1.3	12.3
Transaction with shareholders in their capacity as owners:								
Sharebased payment	-	-	-	-	3.6	3.6	-	3.6
Divestment	-	-	-	-	-	-	-5.2	-5.2
Total transaction with shareholders	-	-	-	-	3.6	3.6	-5.2	-1.6
Closing balance at December 31, 2023	1.7	2,654.0	0.0	-253.4	-65.3	2,337.0	-	2,337.0

MSEK	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	1.7	2,654.8	0.0	-338.0	-171.0	2,147.5	6.5	2,154.0
Profit for the year	-	-	-	-	59.9	59.9	-	59.9
Other comprehensive income for the year	-	-	-	111.2	-	111.2	-	111.2
Total comprehensive income/loss	-	-	-	111.2	59.9	171.1	-	171.1
Transaction with shareholders in their capacity as owners:								
Issue of ordinary shares*	-	-0.8	-	-	-	-0.8	-	-0.8
Sharebased payment	-	-	-	-	2.0	2.0	-	2.0
Total transaction with shareholders	-	-0.8	-	-	2.0	1.2	-	1.2
Closing balance at December 31, 2022	1.7	2,654.0	0.0	-226.8	-109.1	2,319.8	6.5	2,326.3

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

Consolidated statement of cash flow

MSEK	Note	2023	2022
Cash flows from operating activities			
Operating profit (EBIT)		156.2	78.8
Adjustments for non-cash items:			
Depreciations and amortisations	10,13,31	367.8	233.8
Sharebased payments		3.6	2.0
Provisions made	25	-1.8	2.9
Other		-1.7	4.2
Non-cash items		367.9	242.9
Effect of changes in working capital:			
Change in inventories		1.8	-2.5
Change in receivables*		-19.5	-30.1
Change in trade payables and other payables		-2.1	-14.9
Provisions paid		-1.4	-
Change in prepaid income*		23.7	94.8
Net financial items, paid		-128.0	-24.0
Corporate tax paid		-61.6	-69.1
Net effect of changes in working capital		-187.1	-45.8
Cash flow from operating activities		337.0	275.9
Cash flows from investing activities			
Acquisition of subsidiaries	32	-54.9	-1,635.1
Acquisition of participations in associated companies	11	-	-2.9
Other financial investments		-3.0	-
Loan to associated companies		-	-8.6
Acquisition of intangible assets	10	-155.8	-89.2
Acquisition of property, plant and equipment	13	-7.2	-3.9
Cash flow from investing activities		-220.9	-1,739.7
Cash flows from financing activities			
Repayment long-term debt		-2,587.9	-
Proceeds long-term debt		2,330.6	1,192.7
Payment of lease liabilities		-63.4	-32.8
Change in long-term receivables		0.1	1.3
Proceeds from share issues		-	-0.8
Payment of contingent considerations		-17.1	-8.1
Cash flow from financing activities		-337.7	1,152.3
Cash flow for the year		-221.6	-311.5
Cash and cash equivalents at the beginning of the year		671.2	951.5
Exchange-rate differences in cash and cash equivalents		1.0	31.2
Cash and cash equivalents at the end of the year	19	450.6	671.2

* comparison numbers have been adjusted in accordance with IFRS 15 section 12., please also refer to note 2.

Parent company statement of comprehensive income

MSEK	Note	2023	2022
Employee benefit expenses	7	-5.3	-7.3
Depreciations and amortisations		-0.1	-
Other operating income and expenses		-15.4	0.1
Operating profit (EBIT)		-20.8	-7.3
Financial income	8	185.7	25.9
Financial expenses	8	-37.3	-2.5
Dividend received		45.0	-
Net financial items		193.4	23.4
Group contributions		42.7	9.2
Profit before tax		215.3	25.3
Tax on profit for the year	9	-	-2.2
Profit for the year		215.3	23.1
Total comprehensive income for the year		215.3	23.1

Parent company balance sheet

MSEK	Note	31 Dec 2023	31 Dec 2022
ASSETS:			
Non-current assets			
Receivables from group companies		2,522.5	1,181.9
Investments in group companies	14	1,161.8	1,158.1
Right-of-use assets		-	0.2
Total non-current assets		3,684.3	2,340.2
Current assets			
Receivables from group companies		70.0	156.5
Prepaid expenses		0.9	-
Other receivables		0.7	0.5
Current tax receivable		2.3	1.4
Cash and cash equivalents	19	16.4	11.5
Total current assets		90.3	169.9
TOTAL ASSETS		3,774.6	2,510.1

MSEK			
EQUITY AND LIABILITIES:			
Restricted equity			
Share capital		1.7	1.7
Non-restricted equity			
Share premium		2,654.0	2,654.0
Retained earnings including net profit for the year		41.3	-177.6
Total equity		2,697.0	2,478.1
Non-current liabilities			
Liabilities to group companies		55.4	-
Borrowing from credit institutions	22	899.5	-
Total non-current liabilities		954.9	-
Current liabilities			
Borrowing from credit institutions	22	83.2	-
Trade payables		1.2	4.6
Trade payables from group companies		34.1	14.5
Accrued expenses		4.1	6.6
Other current liabilities		0.1	6.3
Total current liabilities		122.7	32.0
TOTAL EQUITY AND LIABILITIES		3,774.6	2,510.1

Parent company statement of changes in equity

MSEK	Share capital	Share premium	Treasury shares	Retained earnings	Total equity
Balance at January 1, 2023	1.7	2,654.0	0.0	-177.7	2,478.0
Comprehensive income:					
Net result	-	-	-	215.3	215.3
Total comprehensive income/loss	-	-	-	215.3	215.3
Transactions with shareholders in their capacity as owners:					
Sharebased payment	-	-	-	3.7	3.7
Total transactions with shareholders	-	-	-	3.7	3.7
Closing balance at December 31, 2023	1.7	2,654.0	-	41.3	2,697.0

MSEK	Share capital	Share premium	Treasury shares	Retained earnings	Total equity
Balance at January 1, 2022	1.7	2,654.8	0.0	-208.9	2,447.6
Comprehensive income:					
Net result	-	-	-	23.1	23.1
Total comprehensive income/loss	-	-	-	23.1	23.1
Transactions with shareholders in their capacity as owners:					
Issue of ordinary shares	-	-0.8	-	-	-0.8
Sharebased payment	-	-	-	8.1	8.1
Total transactions with shareholders	-	-0.8	-	8.1	7.3
Closing balance at December 31, 2022	1.7	2,654.0	0.0	-177.7	2,478.0

Parent company cash flow statement

MSEK	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit		-20.8	-7.3
Non-cash items		0.1	0.1
Group contributions		42.7	9.2
Effect of changes in working capital:			
Change in receivables		-1.1	0.5
Change in trade payables and other payables		-10.5	-31.3
Change in intercompany receivables		-1,295.9	-112.1
Change in intercompany payables		74.9	13.5
Interest paid		-33.1	-
Interest received		168.6	23.4
Income tax paid		-3.3	-1.2
Cash flow from operating activities		-1,078.4	-105.2
CASH FLOWS FROM INVESTING ACTIVITIES			
Repayment of loans from subsidiaries		-	42.5
Cash flow from investing activities		-	42.5
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		-0.1	-
Dividend received		45.0	-
Proceeds from loans		1,038.4	-
Proceeds from share issues		-	-0.8
Cash flow from financing activities		1,083.3	-0.8
Cash flow for the year		4.9	-63.5
Cash and cash equivalents at the beginning of the year		11.5	75.0
Exchange rate differences in cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year	19	16.4	11.5

Notes

NOTE 1 GENERAL INFORMATION

The Karnov Group produces legal, financial and tax information to judicial, fiscal and accounting professionals mainly in Denmark, Sweden, Norway, Spain, Portugal and France. The Parent, Karnov Group AB, reg. no. 559016-9016 is a limited liability company domiciled in Sweden with its registered office in Stockholm. The visiting address of its head office is Warfväges väg 39, 112 51 Stockholm.

The consolidated financial statements are presented in Swedish kronor (MSEK) unless otherwise stated, which is the presentation currency for the Group activities, and the functional currency for the Parent. The consolidated financial statements were authorised for publishing by the Board of Directors on March 15, 2024.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets (derivative instruments) at fair value through profit and loss.

BASIS OF PREPARATION

The consolidated financial statements of the Karnov Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, RFR 1 Supplementary Accounting Regulations for Groups and the Swedish Annual Accounts Act.

The Parent's financial statements have been prepared in accordance with RFR 2, Accounting for Legal Entities, and the Swedish Annual Accounts Act. In cases where the Parent applies accounting policies differing from those of the Group, such deviations are explained separately at the end of this note.

The preparation of financial statements in conformity with IFRS requires the application of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a greater degree of judgement or complexity, or areas in which assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

The accounting policies remain unchanged for the consolidated financial statements compared to 2022. However, Trade receivables and Prepaid income have been adjusted in accordance with IFRS 15 section 12 according to which unperformed contract receivables are netted against prepaid income. The adjustment is neutral to the consolidated statement of comprehensive income as well as to the consolidated equity. The adjustment has been worked into the comparison numbers of this annual report. Below table shows the impact of the change to this annual numbers and to comparative numbers.

Impact from full implementation of IFRS 15 section 12 in Karnov Group on Consolidated balance sheet

MSEK	31 Dec 2023	31 Dec 2022
Change of Trade receivables	-141.3	-125.4
Change of Prepaid income	141.3	125.4

(and derivative impact on subsequent totals and KPI's)

Impact from full implementation of IFRS 15 section 12 in Karnov Group on Consolidated statement of cash flows

MSEK	2023	2022
Impact on cash flow from Changes in receivables	15.9	-14.4
Impact on cash flow from Changes in prepaid income	-15.9	14.4
Impact on Cash flow from operating activities	-	-

NEW AND AMENDED STANDARDS

The Group regularly assess the impact of new IFRS standards and interpretations. We implement new IFRS standards and interpretations from their mandatory effective dates at the latest.

New and amended IFRSs applicable from 1 January 2023 or later that affect the Group include amendments to IAS 1. The amendments to IAS 1 are expected to shorten the presentation of accounting policies in the Group's financial statements onwards compared to the current design, as the amendments to IAS 1 mean that disclosure should only be made of accounting policies that are of "material" importance and by that leave out the accounting policies which only "significant".

CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and the Group has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for acquisitions. The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively. The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group.

SEGMENT REPORTING

Segments are reported in accordance with the internal Karnov reporting, submitted to the CEO who has been identified as the most senior executive decision maker within Karnov. The heads of the respective segments Region North, Region South and Group Functions are responsible for following up the segments' operating income (EBITA), according to the manner in which Karnov reports its consolidated statement of income. This then forms the basis for how the CEO monitors the development and allocates resources etc.

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Swedish kronor (SEK), which is the Parent Company's functional currency and the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "financial income or cost". All other foreign exchange gains and losses are presented in the income statement within "operating profit".

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- balance sheet items are translated at the exchange rate prevailing at the balance sheet date.
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates), in which case income and expenses are translated at the rate on the dates of the transactions.
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in the comprehensive income.

INTANGIBLE ASSETS

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities assumed.

Goodwill is not amortised, but it is tested for impairment and is carried at cost less accumulated impairment losses. For impairment testing purposes, goodwill acquired in a business combination is allocated to each of the Cash-Generating units (CGUs), that is expected to benefit from the synergies of the combination. The Group has defined a CGU to be aligned with the operating segments Region North and Region South. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment testing are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. (For further information on impairment testing please refer to note 10).

Capitalised development costs

The Group has ongoing development activities regarding software products related to the online access to the Group's databases.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use.
- there is intention and ability to use or sell the software product.
- it can be demonstrated how the software product will generate probable future economic benefits.
- adequate technical, financial and other resources to complete the development and to use or sell the software.
- product is available; and the expenditure attributable to the development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include software development employee costs, costs for consultants and an appropriate portion of relevant overheads.

Development costs that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Software development costs recognised as assets are amortised over their estimated useful lives in the range from 3 to 7 years.

Technology

Separately acquired technology products supporting online access to the Group's databases or IT systems for internal purposes are recognised at historical cost. Technology products acquired in a business combination are recognised at fair value at the acquisition date. Technology products have a finite useful life and are carried at cost less accumulated amortisations. Amortisation is calculated using the straight-line method to allocate the cost of technology products over their estimated useful lives of 3 to 7 years.

Trademarks

Separately acquired trademarks are recognised at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 10 to 15 years.

Customer relationships

Separately acquired customer relationships are recognised at historical cost. Customer relationships acquired in a busi-

ness combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of customer relationships over their estimated useful lives of 15 to 20 years.

Content

Organic development and maintenance of own content is expensed in the income statement. Content acquired in a business combination is recognised at fair value at the acquisition date. Content assets acquired in a business combination have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of content assets acquired in business combinations over their estimated useful lives of 15-20 years.

LEASES

The Group's leasing arrangements mainly consists of rental agreements for the Group's office locations, car leases and miscellaneous other leases as operating leases. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. Management exercises significant judgement in determining whether it is reasonably certain that these extension and termination options will be exercised.

Lease assets

Lease assets and liabilities are recognised in the balance sheet at the commencement date of the contract, if it is or contains a lease. Lease assets are recognised at cost less accumulated depreciation and impairment. Cost is defined as the lease liability adjusted for any lease payments made at or before the commencement date. Lease assets are depreciated on a straight-line basis over the lease term.

Lease liabilities

Lease liabilities are measured at the present value of future payments, using the interest rate implicit in the lease agreement. Lease payments are discounted using the Group's incremental borrowing rate during 2023 adjusted for the functional currencies and length of the lease term, if the interest rate implicit in the lease agreement cannot be determined. Lease payments contain fixed payments less any lease incentives receivable, variable lease payment that depend on an index or a rate as well as payments of penalties for terminating the lease, if the terms of the lease warrants that the Group exercises that option.

The lease liability is remeasured if or when the future payment or lease term changes. Any net remeasurement of the lease liability is recognised as an adjustment to the lease asset. If the carrying amount of the lease asset is reduced to zero, the adjustment will be recognised in the income statement.

Additional information

Short-term lease expenses, low-value assets and variable lease payments are classified as operating expenses in the income statement.

Accounting estimates and assumptions

Expired leases

The lease term is the period during which the lease contract is enforceable. If the original expiry date of a lease contract has passed, typically in the case of property leases, but the contract continues without a determined expiry date, the lease term is set for an estimated period during which the lease contract is expected to be enforceable. This estimate is based on Management's judgement and takes into consideration the location of the lease, capitalised leasehold improvements and the experience with similar leases for the specific area.

Extension and termination options

When determining the lease term for lease agreements containing extension and termination options, Management considers circumstances that create a financial incentive to exercise an extension option or not to exercise a termination option. Extension and termination options are only included in the lease term if it is reasonably certain that a lease will be extended/terminated.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at cost less accumulated depreciation. Cost is defined as the acquisition price and costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of any replaced parts are derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, which are as follows:

- Land; no depreciation
- Buildings; 20 - 30 years
- Improvements on leaseholds; 5 years
- Furniture, fittings and equipment; 3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Property, plant and equipment are written down immediately to their recoverable amounts, if these are lower than their carrying amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other operating income" or "other operating expenses" in the income statement.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation but tested annually for impairment. Property, plant and equipment and intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the

carrying amount may not be re-coverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Property, plant and equipment and intangible assets, except for goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

INVESTMENTS IN ASSOCIATED COMPANIES

Investments in associated companies include all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20 percent and 50 percent of the voting rights. Investments in associated companies are accounted for using the equity method of accounting, after initial recognition at cost. Under the equity method of accounting, investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the acquiree in profit or loss, and the Group's share of fluctuations in other comprehensive income.

FINANCIAL INSTRUMENTS

The Group classifies its financial assets and liabilities in the following categories: financial assets and liabilities at fair value through profit and loss, financial assets at amortised cost and other financial liabilities. The classification depends on the purpose for which the financial assets or liabilities were acquired. Management determines the classification of its financial assets at initial recognition.

Classification

Financial assets and liabilities measured at fair value through profit and loss

Financial assets and liabilities measured at fair value through profit or loss are financial assets and liabilities held for trading. A financial asset or liability is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are included in a hedging relation.

Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The carrying amount of these assets is adjusted with expected credit losses (see below). Interest income is recognized using the effective interest method and is included in financial income in the income statement. The Group's financial assets measured at amortised cost comprise of trade receivables, other receivables, and cash and cash equivalents.

Other financial liabilities

The borrowings of the Group (including the balance sheet items borrowing from credit institutions and borrowing from related parties) and trade payables are classified as other financial liabilities. Refer to the description of accounting policies below.

Recognition and measurement

Regular purchases and sales of financial assets and financial liabilities are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset or liability. At initial recognition, the Group measures a financial asset or liability at its fair value plus, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets or liabilities carried at fair value through profit and loss are expensed in the income statement. Financial assets are derecognised when the right to receive cash flows from the investment has expired or has been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the commitment in the agreement has been fulfilled or otherwise extinguished.

Financial assets and financial liabilities measured at fair value through profit and loss are subsequently carried at the acquisition date at fair value. Loans and receivables and other financial liabilities are subsequently carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of financial assets or liabilities at fair value through profit and loss are presented in the income statement within “finance costs” in the period in which they arise. The fair value of the liability for the contingent consideration is based on the present value of the expected payments in accordance with the current acquisition agreement.

INVENTORIES

Inventories are recognised at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of goods for resale comprises the cost of acquisition of the goods. This cost excludes borrowing costs. The inventory mainly consists of books. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The required provision for obsolescence has been made on the basis of individual assessment.

TRADE RECEIVABLES

Trade receivables are amounts owed by customers for merchandise sold or services performed in the ordinary course of business. If collection of the outstanding amount is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

On initial recognition, trade receivables are measured at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on a combination of historic payment profiles of sales and management assessment of expected future market conditions.

Historically Karnov Group has experienced relatively small amounts of losses compared to the business activity which is mainly due to the significant part of subscriptions in the business.

Both losses regarding trade receivables and recoveries of trade receivables previously written off are recognised within “other operating expenses” in the income statement.

The carrying amount of trade receivables, after any impairment, is presumed to correspond to their fair value, as this item is short-term in nature.

CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, restricted cash where it is considered most likely that restrictions will be raised within a period of less than 3 months.

SHARE CAPITAL

Ordinary and preference shares are classified as equity.

EARNINGS PER SHARE

The formula for calculating earnings per share: $\text{earnings per share} = (\text{net income for the period} - \text{dividend on preference shares}) / \text{average number of outstanding common shares}$.

TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

On initial recognition, trade payables are measured at fair value and subsequently measured at amortised cost using the effective interest method. The carrying amount of a trade payable is expected to correspond with the fair value of the trade payable, as this item is of a short-term nature.

BORROWINGS

Borrowings (including borrowing from credit institutions and borrowing from related parties in the balance sheet) are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at acquisition cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

All borrowing costs (interest expenses, transaction costs and the changes in fair value of the options) are recognised within “finance costs” in the income statement in the period to which they refer.

The fair value of borrowings for disclosure purposes is estimated by discounting the future contractual cash flows at current market interest rates available to the Group for similar financial liabilities.

CURRENT TAX AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except from cases where it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business acquisition that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised if it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is based on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

EMPLOYEE BENEFITS

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are included in accrued expenses in the balance sheet as current liabilities.

PENSION OBLIGATIONS

The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the

fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan under which the Group is obliged to pay an employee a certain amount or percentage of the employee's final salary at retirement. Actuarial calculations are made yearly to calculate the defined benefit obligation. Current service costs and calculated interest are charged to the income statement and actuarial gains/losses to other comprehensive income.

LONG-TERM INCENTIVE PROGRAM (DEFERRED SHARES)

The fair value of deferred shares granted to employees for nil consideration under the share savings program is recognised as an expense over the relevant service period, being the year to which the remuneration relates and the vesting period of the shares. The fair value is measured at the grant date of the shares and is recognised in equity in the share-based payment reserve. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period, and adjustments are recognised in profit or loss and the share-based payment reserve. Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed effective from the date of the forfeiture. The deferred shares are issued or acquired by the Company and are held as treasury shares until such time as they are vested.

PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. The Group's provisions consist of costs to restore leased premises and pension obligations. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the provision. The increase in the provision due to the passage of time is recognised as interest expense. The greater portion of the Group's provisions is short-term in nature.

REVENUE RECOGNITION

Revenue is recognised dependant on the relevant contract with the customer. A customer is a party that has contracted with the Group to obtain goods or services that are an output of the Group's ordinary activities in exchange for consideration. Within the Group there are the following main revenue streams:

- **Online sales:** Subscriptions, Support
- **Offline sales:** Books, Advertisement, Courses

Online sales

Karnov's products are largely digital, including subscription-based online solutions for law firms, tax and accounting firms, corporates and the public sector including courts, universities, public authorities and municipalities. The Group offers term-based access to its intellectual property. The contracts are individually priced for each customer based on volume and content of the contract. Differences in prices are recognised in net sales when contracts are invoiced.

Karnov's contract with customers typically have a binding period of 1-12 months, with the majority being 12-month contracts. Usually, the customer is invoiced the full contractual fee one month prior to the beginning of the contractual period. Upfront payments are recognised as a contract liability (included in balance sheet item prepaid income, see note 28). Revenue is recognised on a straight-line basis over the period which the customer has the right to access the intellectual property.

Contracts with customers are typically 12 months or less. As permitted under IFRS 15, the transaction price allocated to unsatisfied long-term contracts are therefore not disclosed.

Offline sales

Karnov also publishes and sells printed books and journals and hosts legal training courses. Revenue is recognised when or as control is transferred to the customer. For printed books and journals revenue is recognised at a point in time, when the product is delivered to the customer. Revenue for training courses is recognised over time – as the training services are being rendered. No element of financing is deemed present as the sales are made with a credit of up to 30 days. Karnov recognises a receivable when the product is delivered to the customer as this is the point in time where the consideration becomes unconditional because only the passage of time is required before the payment is due. On sale of books the Group grants a 60 day right of return. If conditions for return are met the Group refunds the full invoiced amount after receipt of the returned books. Returned sales are recognised at the time the books are received at Karnov's premises and a credit note is issued. The Group does not recognise a provision in the balance sheet for returned goods as the financial value of returned books on a yearly basis is considered immaterial.

DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. The Board of directors of Karnov proposes that the Group's income statement and balance sheet be presented for adoption to the annual general meeting to be held on May 8, 2024. 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 8 May 2024.

ACCOUNTING POLICIES IN THE PARENT COMPANY

The Parent applies RFR 2, Reporting for Legal Entities. This implies that the Parent applies different accounting principles compared to the Group in the following areas.

Format of income statement and balance sheet

The Parent uses the formats specified by the Swedish Annual Accounts Act. This entails that a different presentation compared to the Group is applied principally regarding finance income and costs, statement of total comprehensive income, provisions and statement of changes in equity.

Financial instruments

The Parent Company applies the exception specified in RFR 2, which implies that IFRS 9, Financial Instruments: Recognition and Measurement, needs not be applied to legal entities. Instead, a method based on acquisition cost is applied, in accordance with the Swedish Annual Accounts Act.

Shares in subsidiaries

Shares in subsidiaries are reported at acquisition cost less any impairment loss. Cost of shares in subsidiaries includes acquisition-related costs and any additional consideration. Dividends received are reported as a financial income in the income statement.

When there is an indication that shares and participations in subsidiaries are impaired, an estimate of the recoverable amount is made. If this is lower than the carrying amount, a write-down is performed. Impairment is recorded within "result from participations in Group companies" in the income statement.

Use of key ratios not defined in IFRS

Karnov Group's accounts are prepared in accordance with IFRS. Only a few key ratios are defined in IFRS. Karnov is applying certain "Alternative Performance Measures" as further commented on by ESMA (European Securities and Markets Authority). Briefly, an alternative performance measure is a financial measurement of historical or future earnings development, financial position or cash flow, not defined or specified in IFRS. To assist Group Management and other stakeholders in their analysis of the Group's performance, Karnov is reporting certain key ratios not defined by IFRS. Group Management believes that this data will facilitate analysis of the Group's performance. This data supplements the IFRS information and does not replace the key ratios defined in IFRS. Karnov's definitions of measurements not defined in IFRS may differ from definitions used by other companies. All of Karnov's definitions are included in the section Financial Definitions on page 113. Key ratio calculations that cannot be checked against items in the statement of income and balance sheet can be found on page 109.

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 MSEK unless otherwise stated. Comparative figures from previous period are presented in brackets.

Some comparison numbers in the annual report have been updated due to historical inaccuracies. This is limited to the split of online/offline sales in note 5.

NOTE 3 FINANCIAL RISK MANAGEMENT**FINANCIAL RISK FACTORS**

The Group's activities expose it to a variety of financial risks: market risks (currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance due to financial risks. The Group does not use derivative financial instruments to hedge certain risk exposures. The main portion of the text in this note describes financial risks at Group level. The financial risks of the Parent Company will be presented at the end of the note.

MARKET RISK**Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily in respect of Euro (EUR), Danish kroner (DKK) and Norwegian kroner (NOK). Foreign exchange risk arises primarily from recognised liabilities (borrowings) and net investments in foreign operations. Exposure to currency fluctuations is usually specified according to two main categories: transaction exposure and translation exposure.

Transaction exposure

Transaction exposure refers both to the exposure attributable to commercial flows, that is, sales and purchases across international borders, and the exposure from financial flows. The Group's operations are, from a currency risk point of view, characterised by sales and purchases being solely performed in local currency in the respective countries, which imply that the transaction exposures from the Group's commercial flows are very small. The financial policy states, therefore, that currency hedging of commercial flows does not need to be applied. The Group has borrowings denominated in EUR, SEK and DKK. As regards financial flows, the financial policy states that nominal loan amounts shall not be hedged.

Translation exposure

The foreign subsidiaries' assets, less liabilities, comprise a net investment in foreign currencies which, at consolidation, gives rise to a translation difference. Such translation differences are directly transferred to other comprehensive income. The financial policy states that net investments in foreign currencies shall not be hedged with financial derivatives, among other reasons, to avoid possible unwanted liquidity effects when such derivatives are extended. On December 31, 2023, the total translation differences recognised in other comprehensive income amounted to SEK -26.6 (111.0) m.

Currency exposure

The exchange rate SEK/DKK used for consolidation purposes are:

Closing rate December 31, 2023: 1.4889 (1.4965)

Average rate January-December 2023: 1.5395 (1.4285)

The exchange rate SEK/EUR used for consolidation purposes are:

Closing rate December 31, 2023: 11.0960 (11.1283)

Average rate January-December 2023: 11.4707 (10.6274)

The exchange rate SEK/NOK used for consolidation purposes are:

Closing rate December 31, 2023: 0.9871 (1.0572)

Average rate January-December 2023: 1.0049 (1.0518)

The Group has the following assets in the balance sheet in the currencies SEK, DKK, NOK and EUR:

MSEK	SEK	DKK	NOK	EUR
2023				
Trade receivables	16.3	85.8	6.3	303.5
Cash and cash equivalents	185.0	130.0	40.9	94.7
Total	201.3	215.8	47.2	398.2

MSEK	SEK	DKK	NOK	EUR
2022				
Trade receivables*	16.0	68.4	7.2	313.6
Cash and cash equivalents	186.0	179.8	71.4	234.0
Total	202.0	248.2	78.6	547.6

The Group has the following liabilities in the balance sheet in the currencies SEK, DKK, NOK and EUR:

MSEK	SEK	DKK	NOK	EUR
2023				
Borrowing from credit institutions	-	-	-	2,206.2
Trade payables	9.8	4.2	2.1	95.2
Total	9.8	4.2	2.1	2,301.4

MSEK	SEK	DKK	NOK	EUR
2022				
Borrowing from credit institutions	648.7	611.6	-	1,223.0
Trade payables	13.1	10.5	5.0	109.0
Total	661.8	622.1	5.0	1,332.0

* comparison numbers have been adjusted in accordance with IFRS 15 section 12., please also refer to note 2.

The sensitivity analysis shows that a 5% change in the exchange rates would affect the assets by SEK 33.1 (45.4) m and the liabilities by SEK 115.4 (98.0) m.

Cash flow and fair value interest rate risks

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk primarily arises from long-term borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings have floating interest rates. If interest rates on currency-denominated borrowings, on December 31, 2023, had been 10 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been SEK 1.6 (2.2) m lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. See Note 22 for disclosure of the significant terms of borrowings.

Credit risk

Credit risk or counter party risk is the risk that the counter party in a financial transaction will not fulfil his obligations on maturity date. Credit risk is managed on Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of its new customers before standard payment and delivery terms and conditions are negotiated. Credit risk for the Group arises from cash and cash equivalents and outstanding trade receivables. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with internal limits. The utilization of credit limits is regularly monitored. No credit limits were exceeded materially during the reporting period, and Management does not expect any losses from nonperformance by these counterparties. No concentration of credit risks is deemed to exist. The maximum exposure to credit risks is equivalent to the carrying amount of the financial assets.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and is aggregated by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements. On December 31, 2023, the Group had accessible liquidity of SEK 450.6 m (671.2) (Note 19). The group has

in addition to immediate accessible liquidity on hand committed unused credit facilities of EUR 70.0 m equal to SEK 776.7 m. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date or to the judgement of Management. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is insignificant. Amounts in foreign currencies and amounts which are to be paid based on a floating interest rate have been estimated using the exchange and interest rates applicable at the balance sheet date

GROUP MSEK	< 1 year	Between 1 - 5 years	> 5 years
2023			
Borrowing from credit institutions	83.2	2,123.0	-
Trade payables	111.3	-	-
Other liabilities	703.9	207.2	24.4
Total	898.4	2,330.2	24.4

GROUP MSEK	< 1 year	Between 1 - 5 years	> 5 years
2022			
Borrowing from credit institutions		2,483.3	-
Trade payables	137.6	-	-
Other liabilities	700.1	247.3	55.3
Total	837.7	2,730.6	55.3

PARENT COMPANY MSEK	< 1 year	Between 1 - 5 years	> 5 years
2023			
Borrowing from credit institutions	83.2	899.5	-
Trade payables	1.2	-	-
Other liabilities	38.3	55.4	-
Total	122.7	954.9	-

PARENT COMPANY MSEK	< 1 year	Between 1 - 5 years	> 5 years
2022			
Borrowing from credit institutions	-	-	-
Trade payables	4.6	-	-
Other liabilities	27.4	-	-
Total	32.0	-	-

Parent Company

Of the above stated risks to the Group, the Parent Company's accounts are most affected by interest risk and currency exposure.

CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the

amount of dividend paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity as shown in the consolidated balance sheet. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents. The gearing ratio on December 31, 2023, was as follows:

MSEK	2023	2022
Total borrowings excl. leasing	2,206.2	2,483.3
Less: cash and cash equivalents (note 19)	450.6	671.2
Net debt	1,755.6	1,812.1
Total equity	2,337.1	2,326.3
Gearing ratio	0.75	0.78

NOTE 4**CRITICAL ESTIMATES AND JUDGEMENTS**

On the preparation of the consolidated financial statements, management makes estimates and assumptions concerning the future. These estimates and judgements can by definition deviate from the actual results. The most material estimates and judgement are addressed below.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS
Estimations and assessments relating to impairment of goodwill and intangible assets

In accordance with the accounting policy described in Note 2, the section 'Intangible assets', the Group tests annually whether intangible assets have suffered any impairment. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require application of estimates which are disclosed in detail in Note 10, in which note the carrying amount of goodwill on December 31, 2023, distributed by cash-generating units (CGU), also is disclosed.

Estimated cash flows for the first year are based on most recent budgets approved by the Board of Directors. Estimated cash flows for years 2-5 are based on the Company's business plan for the period approved by the Board of Directors. After the budget period, estimated growth in the terminal period is 2.0% (2.0%) corresponding to the expected market growth.

The assessments behind the growth rates applied for the discounted cash flow have been conducted individually for each CGU (see Note 10) and are based partly on historical rates and partly on expectations to future growth as a result of the implementation of the strategy for Karnov Group. Sensitivity calculations have been made and within a reasonable span of deviation from the applied assessments, a write-down of goodwill on any of the CGUs is not foreseeable in the near future.

Valuation of tax loss carry-forwards

The Group has tax loss carryforwards of which those expected utilized within a foreseeable future have been capitalized. At each period end, the Group investigates the possibility of capitalising the deferred tax assets with regard to the tax loss carryforwards. Deferred tax assets are recognised only in those cases in which it is probable that future tax surpluses will be available against which the temporary difference can be utilised. The tax value of not capitalized tax losses is disclosed in Note 9 and the tax value of capitalized tax losses in Note 23.

NOTE 5**SEGMENTS, DISTRIBUTION NET SALES AND COSTS**

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.

GROUP

MSEK	2023	2022
Sale of online services*	2,024.7	921.0
Sale of offline products and services*	449.9	192.5
Total net sales	2,474.6	1,113.5

GROUP

MSEK	2023	2022
Sweden	446.4	438.0
Denmark	529.6	467.3
Norway	88.2	78.3
France	629.5	68.6
Spain	776.2	60.8
Portugal	4.7	0.5
Total net sales	2,474.6	1,113.5

* Comparison numbers for online and offline split have been updated due to inaccuracies in Region North

	North		South		Group Functions		Total	
MSEK	2023	2022	2023	2022	2023	2022	2023	2022
Net sales specified on product categories:								
Online*	958.0	836.4	1,066.7	84.6			2,024.7	920.0
Offline*	127.8	162.9	322.1	29.6			449.9	192.5
Net sales	1,085.8	999.3	1,388.8	114.2			2,474.6	1,113.5
Adjusted EBITDA	511.3	462.7	208.4	13.8	-82.8	-54.4	636.9	422.0
Depreciations and amortisations	-69.8	-54.6	-79.3	-3.7	-0.1	-	-149.2	-58.3
Adjusted EBITA	441.5	408.1	129.1	10.1	-82.9	-54.4	487.7	363.7
Amortisations from acquisitions							-211.1	-175.6
Items affecting comparability							-120.4	-109.4
Operating profit (EBIT)							156.2	78.8
Share of profit in associated companies							-5.4	-11.6
Net financial items							-116.4	-17.2
Profit before tax							34.4	50.0
Tax on profit for the year							2.5	9.9
Profit for the year							36.9	59.9

* Comparison numbers for online and offline split have been updated due to inaccuracies in Region North.

ACQUISITIONS OF NON-CURRENT ASSETS PER SEGMENT

Region North

Tangible assets SEK 4,7 (30.9) m whereof SEK 2,7 (27.0) m relates to Right-of-use assets. Intangible assets SEK 93,0 (89.2) m.

Region South

Tangible assets SEK 26,3 (0.0) m whereof SEK 21,3 (0.0) m relates to Right-of-use assets. Intangible assets SEK 62,8 (0.0) m.

Group function

SEK 0,1 (0.0) m relates to Right-of-use assets.

NOTE 6 AUDIT NOTE

Audit services refer to examination of the consolidated financial statements, the accounts and the administration of the Board of Directors and the President & CEO of the Company; other tasks incumbent on the Company's auditor; and advice or other assistance prompted by observations from such audits or the performance of other such tasks. Of the total fee for audit services of SEK 7.5 (3.6) m,

SEK 7.1 m (3.4) are invoiced by PricewaterhouseCoopers AB for the statutory audit. Of total other fees of SEK 0.8 m (1.0), SEK 0.7 m (0.9) are invoiced by PricewaterhouseCoopers AB (the statutory auditors of Karnov Group AB (publ)). These fees are non-audit services primarily relating to tax assistance and assistance in projects raising the Group's standard in internal control and processes.

GROUP MSEK	Assigned auditor		Other auditors	
	2023	2022	2023	2022
Audit services	7.1	3.4	0.4	0.2
Audit-related services	0.4	0.5	0.1	-
Tax services	0.2	-	-	0.1
Non-audit services	0.1	0.4	-	-
Total	7.8	4.3	0.5	0.3

PARENT COMPANY MSEK	Assigned auditor		Other auditors	
	2023	2022	2023	2022
Audit services	1.9	1.6	-	-
Audit-related services	-	0.5	-	-
Tax services	0.1	-	-	-
Non-audit services	0.1	-	-	-
Total	2.1	2.1	-	-

NOTE 7 EMPLOYEE BENEFIT EXPENSES**GROUP****Wages, bonus, benefits, social contributions and pensions
MSEK**

	Wages, bonus and other benefits	Social contributions	Pension benefits	Total
2023				
Senior Executives	44.1	3.7	4.6	43.6
Other employees	799.8	213.7	41.9	1,064.2
Other personnel-related costs	-	-	-	23.3
Total	843.9	217.4	46.5	1,131.1

GROUP**Wages, bonus, benefits, social contributions and pensions
MSEK**

	Wages, bonus and other benefits	Social contributions	Pension benefits	Total
2022				
Senior Executives	24.8	4.4	4.1	33.3
Other employees	278.1	45.0	30.5	353.6
Other personnel-related costs	-	-	-	13.6
Total	302.9	49.4	34.6	400.5

GROUP**Board and management compensation
MSEK**

	Compensation for board work	Wages, bonus and other benefits	Social contributions	Pension benefits	Total
2023					
Magnus Mandersson (Chairman of the board)	0.9	-	-	-	0.9
Lone Møller Olsen	0.5	-	-	-	0.5
Ulf Bonnevier	0.4	-	-	-	0.4
Salla Vainio	0.4	-	-	-	0.4
Loris Barisa	0.4	-	-	-	0.4
Ted Keith (3 months)	-	-	-	-	-
Pontus Bodelsson	-	15.0	-	2.0	17.0
Other senior management (9 FTE)	-	29.1	3.7	2.6	35.4
Total	2.7	44.1	3.7	4.6	55.1

GROUP**Board and management compensation
MSEK**

	Compensation for board work	Wages, bonus and other benefits	Social contributions	Pension benefits	Total
2022					
Magnus Mandersson (Chairman of the board)	0.8	-	-	-	0.8
Lone Møller Olsen	0.5	-	-	-	0.5
Ulf Bonnevier	0.4	-	-	-	0.4
Salla Vainio	0.4	-	-	-	0.4
Loris Barisa	0.3	-	-	-	0.3
Pontus Bodelsson	-	7.9	0.5	1.4	9.8
Other senior management (8 FTE)	-	16.9	3.9	2.7	23.5
Total	2.5	24.8	4.4	4.1	35.8

The above compensation includes recognised expenses to the LTIP 2020 and LTIP 2023 programs. Total expense for 2023 was SEK 5.2 m (Share based and cash based) and for 2022 SEK m 5.6. The share of these related to CEO and Senior executives totals in 2023 an expense of SEK 3.0 m and for 2022 an expense of SEK 3.2 m. LTIP costs of SEK 3.0 m as well as bonus accrual including social contributions of SEK 3.2 m is not included in the corporate governance report.

In accordance with currently applicable regulations, a mutual period of termination of employment of a maximum of twelve months applies for the CEO. The CEO's

variable remuneration target shall correspond to an amount equal to 100 percent of the annual fixed salary and is determined based on financial targets that are set by the Board of Directors each year. The CEO's variable remuneration shall not exceed 100 percent of the annual fixed salary. Pursuant to the current guidelines for remuneration to other senior management shall the variable remuneration not exceed 75 percent of the annual fixed salary. The CEO and another senior management member were only employed in the Parent company the first three and two months of 2022, respectively.

PARENT COMPANY

Wages, bonus, benefits, social contributions and pensions MSEK	Compensation for board work	Wages, bonus and other benefits	Social contributions	Pension benefits	Total
2023					
Board of directors	2.7	-	-	-	2.7
Senior Executives	-	-	-	-	-
Other employees	-	0.7	1.2	0.1	2.0
Other personnel related costs	-	-	-	-	0.6
Total	2.7	0.7	1.2	0.1	5.3

PARENT COMPANY

Wages, bonus, benefits, social contributions and pensions MSEK	Compensation for board work	Wages, bonus and other benefits	Social contributions	Pension benefits	Total
2022					
Board of directors	2.5	-	-	-	2.5
Senior Executives	-	1.2	0.6	0.5	2.3
Other employees	-	0.6	0.8	0.1	1.5
Other personell related costs	-	-	-	-	1.0
Total	2.5	1.8	1.4	0.6	7.3

GROUP

Average number of employees Full Time Equivalentes (FTEs)	2023			2022		
	Men	Women	Total	Men	Women	Total
Sweden	51	49	100	46	57	103
Denmark	106	51	157	81	63	144
Norway	19	16	35	16	21	37
France	99	209	308	14	19	33
Spain	252	373	625	22	31	53
Total subsidiaries	527	698	1,225	179	191	370
Parent company, Sweden	1	-	1	1	-	1
Total group	528	698	1,226	180	191	371

Gender distribution of board members and other senior management

	2023			2022		
	Men	Women	Total	Men	Women	Total
GROUP						
Members of the Board of the Parent company *	4	2	6	3	2	5
Executive directors and other senior management (Group management)	6	3	9	6	3	9
Total	10	5	15	9	5	14
PARENT COMPANY						
Members of the Board of the Parent company *	4	2	6	3	2	5
Executive directors and other senior management (Group management)	-	-	-	-	-	-
Total	4	2	6	3	3	5

* Ted Keith elected Board member in October 2023

NOTE 8 FINANCIAL ITEMS**GROUP**

MSEK	2023	2022
Financial income:		
Interest income	8.3	0.5
Net exchange rate gains	18.6	-
Re-measurement of fair value on contingent considerations	1.1	22.7
Other financial income	7.5	-
Total financial income	35.5	23.2
Financial expenses:		
Interest expenses	-146.2	-30.1
Net exchange rate losses	-	-5.7
Other financial expenses	-5.7	-4.5
Total financial expenses	-151.9	-40.3
Net financial items	-116.4	-17.1

PARENT COMPANY

MSEK	2023	2022
Financial income:		
Interest income external	1.0	25.5
Interest income group companies	162.4	-
Net exchange rate gains	15.9	0.4
Other financial income	6.4	-
Total financial income	185.7	25.9
Financial expenses:		
Currency translation losses	-	-2.5
Interest expenses external	-31.6	-
Interest expense group companies	-0.3	-
Other financial expenses	-5.4	-
Total financial expenses	-37.3	-2.5
Net financial items	148.4	23.4

NOTE 9 TAXES**GROUP**

MSEK	2023	2022
Current tax:		
Current tax for the year	60.2	53.4
Current tax prior years	3.9	1.0
Total current tax	64.1	52.4
Deferred income tax		
Change in deferred tax for the year	-64.7	-62.3
Change in deferred tax prior years	-1.9	-
Total deferred tax expense/income	-66.6	-62.3
Income tax expense/income	-2.5	-9.9

Reconciliation of effective tax**GROUP**

MSEK	2023	2022
Profit/(Loss) before income tax	34.4	50.0
Tax calculated at domestic tax rates applicable to profits in the respective countries	-11.9	7.6
Expenses not deductible for tax purposes	17.2	3.3
Non-taxable income	-2.6	-5.0
Other adjustment taxable income	-2.3	1.3
Previously unrecognised tax losses and deferred tax assets	-6.8	-16.1
Adjustments for current tax of prior periods	3.9	-1.0
Income tax expense/income	-2.5	-9.9

PARENT COMPANY

MSEK	2023	2022
Current tax:		
Current tax for the year	8.7	-
Current tax prior years	-	2.2
Total current tax	8.7	2.2
Deferred income tax		
Change in deferred tax for the year	-8.7	-
Total deferred tax expense/income	-8.7	-
Income tax expense/income	-	2.2

Reconciliation of effective tax**PARENT COMPANY**

MSEK	2023	2022
Profit/(Loss) before income tax	215.3	25.3
Income tax calculated according to current tax rate	44.4	-5.2
Non-taxable dividend	-9.3	-
Tax effect of interest netting	-26.4	5.3
Expenses not deductible for tax purposes	-	-
Tax losses for which no deferred tax asset was recognized	-8.7	-
Adjustments for current tax of prior periods	-	2.2
Income tax expense	-	2.2

NOTE 10 INTANGIBLE ASSETS

GROUP MSEK	Other intangible assets						Total
	Goodwill	Capitalised development costs	Customer relations	Content	Trademarks	Technology	
Cost at January 1, 2023	3,250.3	455.8	1,268.8	726.9	460.7	576.9	6,739.4
Reassessment	-	-2.5	-	-	-	-	-2.5
Additions for the year	-	155.8	-	-	-	-	155.8
Disposals	-	-16.0	-	-	-16.6	-7.3	-39.9
Additions related to aquired entities	16.7	-1.7	-3.6	-2.3	1.2	18.1	28.4
Transfer	-	25.0	-	-	-	-25.0	-
Currency exchange differences	-15.2	-3.2	-4.4	-2.3	-1.4	-1.2	-27.7
Accumulated cost at December 31, 2023	3,251.8	613.2	1,260.8	722.3	443.9	561.5	6,853.5
Amortisation at January 1, 2023	0.7	180.8	489.8	10.4	153.2	263.9	1,098.8
Reassessment	-	2.2	-	-	-	-	2.2
Amortisation for the year	-	78.7	88.1	38.3	35.9	51.3	292.3
Impairment	-	4.7	-	-	-	-	4.7
Disposals	-	-12.5	-	-	-3.6	-2.0	-18.1
Transfer	-	1.3	-	-	-	-1.3	-
Currency exchange differences	-	-2.0	-4.7	-0.7	-1.3	-1.9	-10.6
Accumulated Amortisation at December 31, 2023	0.7	253.2	573.2	48.0	184.2	310.0	1,369.3
Net book value at December 31, 2023	3,251.1	360.0	687.6	674.3	259.7	251.5	5,484.2

GROUP MSEK	Other intangible assets						Total
	Goodwill	Capitalised development costs	Customer relations	Content	Trademarks	Technology	
Cost at January 1, 2022	1,912.6	301.5	977.0	8.1	325.5	476.3	4,001.0
Additions for the year	-	89.2	-	-	-	-	89.2
Additions related to aquired entities, 2022	1,207.4	61.2	225.1	709.9	113.1	91.7	2,408.4
Additions related to aquired entities. 2021 adjustment	4.2	-	4.9	-	6.7	-2.2	13.6
Currency exchange differences	126.1	3.9	61.8	8.9	15.4	11.1	227.2
Accumulated cost at December 31, 2022	3,250.3	455.8	1,268.8	726.9	460.7	576.9	6,739.4
Amortisation at January 1, 2022	0.7	140.4	385.7	5.3	120.7	193.8	846.6
Amortisation for the year	-	38.7	73.0	5.1	25.8	67.1	209.7
Currency exchange differences	-	1.7	31.1	-	6.7	3.0	42.5
Accumulated Amortisation at December 31, 2022	0.7	180.8	489.8	10.4	153.2	263.9	1,098.8
Net book value at December 31, 2022	3,249.6	275.0	779.0	716.5	307.5	313.0	5,640.6

IMPAIRMENT TESTS ON GOODWILL AS OF 31 DECEMBER 2023

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 is consistent with the internal reporting provided to the chief operating decision maker. The goodwill allocation applied then is presented below:

MSEK	CGU North	CGU South	Total
Carrying amount at 31 december 2023	2,013.4	1,237.7	3,251.1

Management reviews the business performance based on the management reporting structures on an annual basis. For the 2023 reporting period, the recoverable amount of the cash generating segments (CGUs) was determined based on value-in-use calculations which require the use of assumptions.

Based on the impairment test, a material excess value was identified for segment North compared to the carrying amount for which reason no impairment was made as of 31 December 2023. The newly acquired segment South holds an excess value in comparison with the carrying amount for which no impairment was made as of 31 December 2023.

The calculations use post-tax cash flow projections for a five-year period based on the financial budget for 2024, on strategy plans and on projections hereof. Projections extending beyond 2024 are based on general parameters, such as expected market growth and profitability assumptions. The terminal value used in the calculations for both CGUs is determined on the assumption of 2.0 percent growth (2.0) on both segments. The growth rates do not exceed the long-term average growth rate for the business in which the CGU operates. The pre-tax discount rate used in Region North was 9.4 percent (LY 8.3 percent for CGU Denmark and 7.8 percent for CGU Sweden/Norway)

The pre-tax discount rate used in Region South was 10.34 percent (LY Management did not perform a separate impairment test for the acquired businesses of Region South as this was acquired November 30, 2022).

NOTE 11 INVESTMENTS IN ASSOCIATES

GROUP

MSEK	2023	2022
Cost at January 1	66.5	62.7
Additions relating to acquisitions	-	2.9
Foreign currency translation adjustments	-0.1	0.9
Cost at December 31	66.4	66.5
Value adjustment		
Value adjustments at January 1	-12.2	-0.5
Share of loss of associates	-5.4	-11.7
Value adjustments at December 31	-17.6	-12.2
Carrying amount at December 31	48.8	54.3

Associated entities:

Karnov Group Norway AS	40.0%	40.0%
ProcurementLink ApS	49.0%	49.0%

IMPAIRMENT

Management has assessed that no risk of impairment is indicated for either Karnov Group Norway AS or ProcurementLink ApS.

NOTE 12 DEPOSIT – LEASEHOLD

The Group currently occupies offices in several countries for which the Group has paid deposits of SEK 4.2 m (3.8) in Denmark, SEK 3.3 m (4.1) in Spain, SEK 0.1 m (4.4) in France and SEK 0.1 m (0.1) in Portugal. The Group has currently paid total deposits for SEK 7.7 m (12.4).

NOTE 13 PROPERTY PLANT & EQUIPMENT

GROUP					
MSEK	Land and buildings	Leasehold improvements	Furniture, fittings and equipment	Assets under construction	Total
Cost at January 1, 2023	7.7	22.2	42.8	3.6	76.3
Reassessment	-	0.7	0.9	-	1.6
Additions for the year	-	0.9	4.0	2.3	7.2
Disposals	-	-	-13.8	-	-13.8
Transfer	-	-	4.6	-4.6	-
Currency exchange differences	-	-0.1	-0.1	-	-0.2
Accumulated cost at December 31, 2023	7.7	23.7	38.4	1.3	71.1
Depreciation at January 1, 2023	-	6.1	24.8	-	30.9
Reassessment	-	0.2	0.8	-	1.0
Depreciation for the year	-	3.1	8.9	-	12.0
Disposals	-	-	-13.6	-	-13.6
Additions related to acquired entities	-	-	-	-	-
Currency exchange differences	-	-0.2	-0.2	-	-0.4
Accumulated depreciation at December 31, 2023	-	9.2	20.7	-	29.9
Net book value at December 31, 2023	7.7	14.5	17.7	1.3	41.2

GROUP					
MSEK	Land and buildings	Leasehold improvements	Furniture, fittings and equipment	Assets under construction	Total
Cost at January 1, 2022	-	7.6	25.5	-	33.1
Reassessment	-	-1.2	-	-	-1.2
Additions for the year	-	2.0	1.0	-	3.0
Disposals	-	-0.8	-0.3	-	-1.1
Additions related to acquired entities	7.7	14.0	15.3	3.6	40.6
Currency exchange differences	-	0.6	1.3	-	1.9
Accumulated cost at December 31, 2022	7.7	22.2	42.8	3.6	76.3
Depreciation at January 1, 2022	-	4.7	22.2	-	26.9
Depreciation for the year	-	1.0	1.7	-	2.7
Disposals	-	-	-0.3	-	-0.3
Currency exchange differences	-	0.4	1.2	-	1.6
Accumulated depreciation at December 31, 2022	-	6.1	24.8	-	30.9
Net book value at December 31, 2022	7.7	16.1	18.0	3.6	45.4

NOTE 14 INVESTMENTS IN GROUP ENTERPRISES**PARENT COMPANY**

MSEK	2023	2022
Cost at beginning of period	1,158.1	1,150.0
Capital increase/ Sharebased payment	3.7	8.1
Net book value at December 31	1,161.8	1,158.1

	All entities within the Group	Corporate identity number	Registered office	Voting share	Share of equity	Carrying amount 2023
C	KARN Holdco AB (1)	559016-4124	Stockholm	100.0%	100.0%	1,161.8
C	KARN Middlecompany AB (1)	559016-8927	Stockholm	100.0%	100.0%	
C	KARN Biddingcompany AB (1)	559016-8844	Stockholm	100.0%	100.0%	
C	Karnov Group Holding AB (1)	556847-3143	Stockholm	100.0%	100.0%	
C	Karnov AB (1)	556847-5791	Stockholm	100.0%	100.0%	
C	Norstedts Juridik AB (2)	556226-6097	Stockholm	100.0%	100.0%	
C	Notisum AB (2)	556516-2467	Stockholm	100.0%	100.0%	
C	Karnov Group Holdco DK ApS (1)	36 96 61 14	Copenhagen	100.0%	100.0%	
C	Karnov Group Denmark A/S (2)	10 36 19 90	Copenhagen	100.0%	100.0%	
C	DIB Viden A/S (2)	31 58 18 69	Copenhagen	100.0%	100.0%	
C	LCB ApS (2)	34 58 90 97	Copenhagen	85.9%	85.9%	
C	Ante ApS (2)	38 70 37 22	Copenhagen	55.1%	55.1%	
C	BELLA Intelligence ApS (2)	39 13 52 72	Copenhagen	100.0%	100.0%	
C	Notisum ApS (2)	36 02 01 56	Copenhagen	100.0%	100.0%	
C	DIBkunnskap AS (2)	974 379 511	Oslo	100.0%	100.0%	
C	Onlaw ApS (2)	38 51 57 48	Copenhagen	100.0%	100.0%	
C	Echoline SAS (2)	517 886 990	Paris	100.0%	100.0%	
C	Karnov Holdco France SAS (1)	401 899 349	Saint-Ouen	100.0%	100.0%	
C	Lamy Liaisons SAS (2)	480 081 306	Saint-Ouen	100.0%	100.0%	
C	Karnov Holdco Spain SL (1)	B09 941 527	Madrid	100.0%	100.0%	
C	Editorial Aranzadi, S.A. (Sociedad Unipersonal) (2)	A81 962 201	Madrid	100.0%	100.0%	
C	LA LEY Soluciones Legales, S.A. (2)	A58 417 346	Madrid	100.0%	100.0%	
C	LA LEY eLearning, S.A. (2)	A86 363 611	Madrid	100.0%	100.0%	
C	Jusnet Unipessoal Lda (2)	507 271 050	Lisbon	100.0%	100.0%	
A	ProcurementLink ApS (2)	35 86 94 76	Copenhagen	49.0%	49.0%	
A	Karnov Group Norway AS (2)	924 428 600	Oslo	40.0%	40.0%	

Note:

C Consolidated

A Consolidated

(1) Holding company

(2) Operating company

NOTE 15 FINANCIAL INSTRUMENTS BY CATEGORY

GROUP MSEK	Carrying amount		Fair value	
	31 Dec 2023	31 dec 2022	31 dec 2023	31 dec 2022
FINANCIAL ASSETS				
Financial assets at amortised cost				
Deposits	7.7	12.4	7.7	12.4
Trade receivables*	411.9	405.2	411.9	405.2
Cash and cash equivalents	450.6	671.2	450.6	671.2
Total financial assets	870.2	1,088.8	870.2	1,088.8
FINANCIAL LIABILITIES				
Financial liabilities at fair value through profit or loss (FVPL)				
Contingent considerations	7.3	29.9	7.3	29.9
Liabilities at amortised cost				
Trade payables	111.3	137.6	111.3	137.6
Borrowings from credit institutions	2,206.2	2,483.3	2,206.2	2,483.3
Total financial liabilities	2,324.8	2,650.8	2,324.8	2,650.8

* comparison numbers have been adjusted in accordance with IFRS 15 section 12., please also refer to note 2.

TRADE RECEIVABLES

Due to the short-term nature of current receivables, their carrying amount is considered to be the same as the 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. They 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. 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.

BORROWINGS FROM CREDIT INSTITUTIONS

The carrying amount of non-current borrowings is considered to be the same as their fair values, since interest payables on those borrowings are close to current market rates. These are classified at level 2 in the fair value hierarchy. Also current borrowings from credit institutions are included in this section and are valued in the same way as the non-current borrowings.

OTHER

Update from annual report last year is that loans to associated companies are now included for both current and previous year. No transfers between the levels of fair value hierarchies have taken place in 2023.

NOTE 16 TRADE RECEIVABLES**GROUP**

MSEK	2023	2022
Trade receivables	423.6	417.6
Less: provision for impairment of trade receivables	-11.7	-12.4
Trade receivables – net	411.9	405.2

GROUP

MSEK	2023	2022
EUR	303.5	313.6
SEK	16.3	16.0
DKK	85.8	68.4
NOK	6.3	7.2
Total trade receivables	411.9	405.2

GROUP

MSEK	2023	2022
Balance not due	227.7	254.8
0-3 months	164.6	137.4
3-6 months	12.3	9.9
Over 6 months	7.3	3.1
Total trade receivables	411.9	405.2

GROUP

MSEK	2023	2022
Allowance for impairment at 1 January	12.4	0.7
Allowance from acquisition	-	11.5
Provision for impairment of trade receivables	4.0	-
Realized losses during the year	-5.2	-
Reversed writedowns	0.5	-
Exchange differences	-	0.2
Allowance for impairment at 31 December	11.7	12.4

GROUP

MSEK	< 31 days	31 - 90 days	91 - 180 days	> 180 days	Total
31 December 2023					
Expected loss rate	0.3%	0.3%	0.3%	79.0%	2.8%
Trade receivables	-0.6	-0.4	-	-10.7	-11.7
Loss allowance	0.6	0.4	-	10.7	11.7

GROUP

MSEK	< 31 days	31 - 90 days	91 - 180 days	> 180 days	Total
31 December 2022					
Expected loss rate	0.3%	0.1%	0.2%	78.9%	3.0%
Trade receivables	-0.8	-0.1	-	-11.5	-12.4
Loss allowance	0.8	0.1	-	11.5	12.4

The fair values of trade receivables and other receivables of the Group correspond to book values. Karnov Group invoices one month prior to the contract period of the agreement for which reason the customers are paying upfront. Historically, Karnov Group has experienced relatively small amounts of losses compared to the business activity which

is reflected in the impairment principle. Adjustments to provision for impaired receivables have been included in Other operating expenses in the income statement.

The maximum exposure to credit risk of trade receivables at the reporting date consists of the carrying amount. The Group does not hold any collateral as security.

NOTE 17 INVENTORIES**GROUP**

MSEK	2023	2022
Finished goods	18.7	20.5
Total inventories	18.7	20.5

Write-downs of finished goods recognized as expenses during the year amounted to SEK 2.0 m (0.6) and are included in Goods for resale in the income statement. Finished goods are written down by 50% after 24 months on stock and 100% after 36 months on stock.

NOTE 18 PREPAID EXPENSES**GROUP**

MSEK	2023	2022
Prepaid royalties to authors	3.5	-
Prepaid software license	7.5	5.9
Prepaid rent	2.7	3.3
Other items	43.8	37.0
Total prepaid expenses	57.5	46.2

NOTE 19 CASH AND CASH EQUIVALENTS**GROUP**

MSEK	2023	2022
Cash at bank and in hand	450.6	671.2
Total cash and cash equivalents in the balance sheet	450.6	671.2

PARENT COMPANY

MSEK	2023	2022
Cash at bank and in hand	16.4	11.5
Total cash and cash equivalents in the balance sheet	16.4	11.5

NOTE 20 SHARE CAPITAL

A specification of changes in the equity is found in the Statement of changes in equity, which is presented after the balance sheet.

	2023 Shares (thousands)	2022 Shares (thousands)	2023 MSEK	2022 MSEK
Share capital and shares				
Ordinary shares				
Ordinary shares	107,876.1	107,846.6	1.7	1.7
Total ordinary shares	107,876.1	107,846.6	1.7	1.7
Shares of series C	225.9	255.4	-	-
Total number of shares / share capital	108,102.0	108,102.0	1.7	1.7
Transaction with shareholders in their capacity as owners				
Issue of series C shares	-	-	-	-
Conversion and distribution of own shares	29.5	170.0	-	-
Total transaction with shareholders	29.5	170.0	-	-

	Shares (thousands)	Par value MSEK	Share premium MSEK	Total MSEK
Movements in ordinary shares				
Opening balance January 1, 2023	107,846.6	1.7	2,654.0	2,655.7
Issue new shares	-	-	-	-
Conversion and distribution of own shares	29.5	-	-	-
Balance December 31, 2023	107,876.1	1.7	2,654.0	2,655.7

ORDINARY SHARES AND SHARES OF SERIES C

Ordinary shares and shares of series C As per December 31, 2023, the share capital in Karnov Group AB (publ) was SEK 1,663,150, divided between 107,876,145 ordinary shares and 225,902 shares of series C, both with a nominal value of SEK 0.015385. Each ordinary share entitles the holder to one (1) vote at general meetings, while each share of series C entitles the holder to one-tenth (1/10) vote at general meetings. Ordinary shares are entitled to dividend, while shares of series C are not entitled to dividend. During the

month of June 2023, 29,474 shares of series C, previously issued and repurchased under Karnov Group's long-term incentive plan resolved by the annual general meeting in May 2020 (LTIP 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 26,527 votes.

NOTE 21 EARNINGS PER SHARE

Earnings per share	2023	2022
Earnings attributable to shareholders, MSEK	36.9	59.9
Weighted average number of ordinary shares	107,861,529	107,846,671
Effect of performance shares	240,518	255,376
Weighted average number of ordinary shares adjusted for the effect of dilution	108,102,047	108,102,047
Earnings per share, basic, SEK	0.34	0.56
Earnings per share, after dilution, SEK	0.34	0.55

NOTE 22 BORROWINGS FROM CREDIT INSTITUTIONS

The Group's borrowings were distributed as follows at the end of the reporting period:

GROUP

MSEK	31 Dec 2023	31 Dec 2022
Borrowing from credit institutions		
Non-current	2,123.0	2,483.3
Current	83.2	-
Total borrowings from credit institutions	2,206.2	2,483.3

	Type of borrowing	Interest rate*	Currency	Nominal value in currency	Carrying amount
Borrowings from credit institutions December 31, 2023					
Facility Agreement, Facility A	Loan	2.3% + EURIBOR	EUR	30.0	332.9
Facility Agreement, Facility B	Loan	2.3% + EURIBOR	EUR	170.0	1,886.3
Other	Loan	N/A	EUR	0.3	2.9
Amortised loan costs					-15.9
Total, carrying amount					2,206.2
Total, fair value					2,222.1

	Type of borrowing	Interest rate*	Currency	Nominal value in currency	Carrying amount
Borrowings from credit institutions December 31, 2022					
Nordea Facility B1	Loan	1.1% + STIBOR	SEK	425.0	425.0
Nordea Facility B2	Loan	1.1% + CIBOR	DKK	302.7	452.9
Nordea	Revolving loan	1.1% + STIBOR	SEK	225.0	225.0
Nordea	Revolving loan	1.1% + CIBOR	DKK	107.0	160.1
Nordea	Facility loan	1.6% + EURIBOR	EUR	110.0	1,224.1
Other	Loan	N/A	EUR	0.3	3.4
Amortised loan costs					-7.2
Total, carrying amount					2,483.3
Total, fair value					2,490.5

* Interest rate as per December 31.

Borrowings from credit institutions in parent company amounts to MSEK 983.0 (0.0). All borrowings in the parent company in EUR

FAIR VALUE

Fair value of borrowings from credit institutions is the same as the carrying value, with the only difference that the carrying value of the loans also includes transaction expenses (arrangement fees) that remain to be allocated as part of the effective interest rate of the bank loans. Fair value is calculated based on discounted cash flows by using the group's marginal borrowing rate. The following covenants follow borrowings from credit institutions:

COVENANTS

Borrowings from credit institutions includes the following covenants:

NET DEBT VERSUS EBITDA

Net Leverage Ratio calculated on a quarterly basis shall not exceed 4.00:1 per end of December 2023. "Net Leverage Ratio" means the ratio of Consolidated Total Net Debt to Consolidated adjusted EBITDA for a twelve-month period. If relevant the Consolidated adjusted EBITDA is adjusted for prepaid income exceeding recognized income, as well as adjusted EBITDA is proforma consolidating any adjusted EBITDA from acquired businesses prior to the acquisition in order to calculate a proper twelve-month number. Adjusted EBITDA is calculated in accordance with the definition in the facility agreement. The net leverage ratio threshold on 31 December 2023 was 3.21:1 (3.53:1). Total net debt for covenant calculation includes lease liabilities and total borrowings adjusted for amortised loan costs less cash and cash equivalents. The covenant calculation is calculated in EUR.

DEFAULT AND BREACHES OF COVENANTS

There have been no defaults or breaches of covenant during the year.

NOTE 23 DEFERRED INCOME TAX

GROUP	Deferred tax	Currency exchange	Recognized in income statement	Recognized in income statement	Recognized in income statement	Recognized in other comprehensive income	Acquisitions	Deferred tax
MSEK	January 1	differences	re. this year	re. prior years	re. change of tax rates			December 31
2023								
Intangible assets	-411.2	2.9	32.9	-33.6	11.4	-	8.7	-388.9
Tangible assets	-1.9	-	2.1	-	-	-	-	0.2
Current assets	-	-	-1.2	13.2	-	-	-	12.0
Provisions	20.8	-0.5	0.4	-10.9	-	0.5	1.3	11.6
Lease liabilities	-	-	0.1	1.6	-	-	-	1.7
Prepaid income	67.9	-0.4	11.3	3.3	-	-	-	82.1
Other current liabilities	1.6	-1.2	-7.6	19.3	-	-	5.9	18.0
Capitalized tax losses	32.2	-0.1	26.7	-2.4	-	-	-	56.4
	-290.6	0.7	64.7	-9.5	11.4	0.5	15.9	-206.9
Of this recognised as:								
Deferred tax assets								135.4
Deferred tax liabilities								-342.3
Expected to be utilised as follows:								
Within one year								112.1
After more than one year								-319.0

GROUP	Deferred tax	Currency exchange	Recognized in income statement	Recognized in income statement	Recognized in income statement	Recognized in other comprehensive income	Acquisitions	Deferred tax
MSEK	January 1	differences	re. this year	re. prior years	re. change of tax rates			December 31
2022								
Intangible assets	-226.7	-14.4	31.3	-	-	-	-201.4	-411.2
Tangible assets	-1.7	-0.2	-	-	-	-	-	-1.9
Current assets	-2.1	-0.4	2.0	-	-	-	0.5	-
Provisions	1.2	0.6	0.3	-	-	-	18.7	20.8
Lease liabilities	-	-	-	-	-	-	-	-
Prepaid income	64.9	5.1	-2.1	-	-	-	-	67.9
Other current liabilities	-	-	1.6	-	-	-	-	1.6
Capitalized tax losses	-	0.1	29.2	-	-	-	2.9	32.2
	-164.4	-9.2	62.3	-	-	-	-179.3	-290.6
Of this recognised as:								
Deferred tax assets								122.5
Deferred tax liabilities								-413.1
Expected to be utilised as follows:								
Within one year								27.8
After more than one year								-318.4

Tax value of deferred tax assets not recognised is SEK 13.7 m and relates to tax losses for which there is considerable uncertainty about their future utilization. In addition to the above the Group has acquired unused tax losses in Spain related to periods prior to acquisition. These are being analysed and are not included in the above.

NOTE 24 RETIREMENT BENEFIT OBLIGATIONS

The Group has defined benefit plans in Sweden, France and Spain along with defined contribution plans in Denmark and Norway as well as in France and Spain. The defined benefit plans in Sweden are however accounted for as defined contribution plans due to insufficient information available. More information on the defined benefit plans in Sweden, France and Spain below.

The following expenses for the Group's pensions plans have been recognised in the income statement:

GROUP

MSEK	2023	2022
Charged to income statement:		
Expenses for defined contribution plans	42.9	33.9
Expenses for defined benefit plans	3.6	0.7
Total charges to income statement	46.5	34.6

**DEFINED BENEFIT PLANS
IN FRANCE AND SPAIN**

Defined benefit plan costs recognized in the income statement amount to SEK 3.6 m (0.7) and actuarial gains recognised in other comprehensive income amount to SEK 2.0 m (0.1). The Group is expecting the costs of the plans in France and Spain to total SEK 5.5 m in 2024.

Actuarial reports have been issued for the plans and the results of these are reflected in the income statement, other comprehensive income and balance sheet accordingly. The below is specifying changes to defined benefit obligations and assets:

GROUP

MSEK	2023	2022
Present value of defined benefit obligations:		
At January 1	63.8	-
Current service costs	2.0	0.6
Calculated interest	2.2	0.1
Actuarial gains/losses	-2.4	-0.2
Contributions from plan participants paid in	-1.4	-
Addition from acquisitions	2.6	62.2
Currency difference	-0.3	1.1
At December 31	66.5	63.8
Present value of defined benefit assets:		
At January 1	17.6	-
Calculated interest	0.6	-
Actuarial gains/losses	-0.4	-
Contributions paid in	1.1	-
Addition from acquisitions	-	17.3
Currency difference	-0.1	0.3
At December 31	18.8	17.6
Defined benefit obligations recognized in the balance sheet, net	47.7	46.2

**DEFINED BENEFIT PLANS
IN SWEDEN**

Commitments for old-age pensions and family pensions for white collar employees in Sweden are insured on the basis of insurance premiums with Alecta. According to the statement UFR 10 from the Emerging Issues Task Force of the Swedish Financial Reporting Board (Rådet för finansiell rapportering), this is a multi-employer defined benefit plan. For the financial year 2023, the Group did not have access to the details enabling the report of these plans as defined benefit plans. The ITP pension plan, secured on the basis of insurance with Alecta, is therefore, reported as a defined contribution plan. The year's fees for pension insurance policies, established with Alecta, amount to SEK 8.0 m (7.8). The surplus from Alecta can be distributed to the policy holders and/or the insured individuals. At the end of 2023, the Group is not aware of any surplus or deficit at the collective consolidation level of Alecta. The collective consolidation level consists of the market value of Alecta's assets as a percentage of the insurance obligations calculated in accordance with Alecta's and other's actuarial calculation assumptions, which is not in accordance with IAS 19. Based on information from Alecta's web page (www.alecta.se) the collective consolidation ratio of Alecta is 158% by end December 2023 (172% by end of December 2022). The Group is expecting the costs for the Alecta pension plans to total MSEK 8.2 in 2024.

NOTE 25 PROVISIONS

GROUP	Asset Retirement obligation	Pension	Jubilee and long-service benefits	Restructuring provision	Total
MSEK					
At January 1, 2023	14.4	46.2	-	-	60.6
Additions from acquisitions	-	2.6	-	-	-
Charged to the income statement	-5.4	3.6	-	-	-1.8
Charged to other comprehensive income	-	-2.0	-	-	-2.0
Realised during the year	-	-2.5	-	-	-2.5
Reclassified from other liabilities	-	-	5.5	16.2	21.7
Currency difference	-	-0.2	-	-	-0.2
At December 31, 2023	9.0	47.7	5.5	16.2	78.4

GROUP	Asset Retirement obligation	Pension	Jubilee and long-service benefits	Restructuring provision	Total
Group					
At January 1, 2022	5.7	-	-	-	5.7
Additions from acquisitions	5.8	44.9	-	-	50.7
Charged to the income statement	2.2	0.7	-	-	2.9
Charged to other comprehensive income	-	-0.2	-	-	-0.2
Currency difference	0.7	0.8	-	-	1.5
At December 31, 2022	14.4	46.2	-	-	60.6

As in previous year The Group is required to restore the leased premises in Denmark and in France (last year also Spain) to their original condition at end of the respective lease terms. A provision has been recognized for the present value of the estimated expenditure required to remove any leasehold improvements. The costs have been capital-

ized as part of the cost of leasehold improvements based on expected costs at present value. In region South the Group is also obliged due to local legislation to recognize a provision due to Jubilee and and long service benefits. Restructuring provision is related to France and is in accordance with post merger integration plan.

NOTE 26 OTHER CURRENT LIABILITIES

GROUP	2023	2022
MSEK		
Value-added tax liability	86.7	75.4
Contingent considerations	7.3	29.9
Employee withholding taxes	25.1	-
Other	22.5	23.1
Total other current liabilities	141.6	128.4

NOTE 27 ACCRUED EXPENSES

GROUP	2023	2022
TSEK		
Accrued author royalty	94.3	108.0
Accrued wages and salaries	258.0	176.5
Other accrued expenses	127.2	214.2
Total accrued expenses	479.5	498.7

NOTE 28 PREPAID INCOME

GROUP	2023	2022
MSEK		
Prepaid income for subscriptions in Denmark	283.0	264.9
Prepaid income for subscriptions in Sweden	160.0	150.7
Prepaid income for subscriptions in Norway	44.2	41.9
Prepaid income for subscriptions in France	169.8	185.9
Prepaid income for subscriptions in Spain	264.7	259.2
Total prepaid income	921.7	902.6

NOTE 29 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

MSEK	2022	Cash flows	Non-cash changes					Addition from acquisition	2023
			Recognised in income statement	Foreign exchange movement	Capitalized loan cost	Net additions - disposals	Other reclassifications		
Long-term borrowings from credit institutions	2,483.2	-345.7	13.5	-10.1	-17.9	-	-	-	2,123.0
Short-term borrowings from credit institutions	-	88.4	-	-5.2	-	-	-	-	83.2
Leasing liabilities	267.0	-63.4	5.1	-1.1	-	2.2	22.0	-	231.8
Contingent considerations	29.9	-17.1	-5.5	-	-	-	-	-	7.3
Total liabilities from financing activities	2,780.1	-337.8	13.1	-16.4	-17.9	2.2	22.0	-	2,445.3

MSEK	2021	Cash flows	Non-cash changes					Addition from acquisition	2022
			Recognised in income statement	Foreign exchange movement	Capitalized loan cost	Net additions - disposals	Other reclassifications		
Long-term borrowings from credit institutions	1,209.6	1,192.7	-3.5	71.8	9.2	-	-	3.4	2,483.2
Leasing liabilities	99.4	-20.0	-	1.8	-	22.9	0.1	162.8	267.0
Contingent consideration	35.7	-8.1	-	2.3	-	-	-	-	29.9
Total liabilities from financing activities	1,344.7	1,164.6	-3.5	75.9	9.2	22.9	0.1	166.2	2,780.1

NOTE 30 CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

As part of the Group's ordinary business Karnov has entered into a number of long-term (sales or purchase) contracts. Apart from the liabilities already recognized in the balance sheet, no significant financial losses are expected to be incurred as a result of these contracts.

A French supreme court ruling from the autumn 2023 on employee rights to earn paid holiday during periods of illness might potentially increase the holiday compensation accruals currently recognized in the balance sheet of the group. The application of the ruling is however still very uncertain and awaiting further analysis before the group can estimate any financial consequences.

The parent of the group is borrower and guarantor in the Facilities Agreement disclosed in note 22. As guarantor the Parent is jointly and severally guaranteeing the performance of all borrowers of the Facility Agreement. The Parent has SEK 999 m (EUR 90 m) of the total SEK 2.219 m (EUR 200 m). Facility Agreement debt on its own balance sheet and is thus additionally guaranteeing for SEK 1.220 m (EUR 110 m) of debt recognized on the balance sheets of other group entities.

NOTE 31 LEASING**GROUP**

MSEK	2023	2022
No later than 1 year	52.8	52.5
Later than 1 year and no later than 5 years	154.7	159.1
Later than 5 years	24.4	55.3
Total	231.9	266.9

GROUP

MSEK	2023	2022
Lease assets at January 1	236.7	96.0
Reassessment	20.3	-
Currency exchange differences	-1.7	2.0
Additions for the year	24.1	23.0
Addition from acquisition	-	137.7
Disposals for the year	-19.5	-
Depreciation for the year	-58.8	-22.0
Lease assets at December 31	201.1	236.7
Lease liabilities at January 1	266.9	99.4
Reassessment	22.0	-
Currency exchange differences	-0.9	1.8
Additions for the year	21.1	22.9
Addition from acquisition	-	162.8
Disposals for the year	-18.9	-
Interest accrued	5.1	1.5
Interest paid	-5.1	-1.5
Payments	-58.3	-20.0
Lease liabilities at December 31	231.9	266.9

NOTE 32 BUSINESS COMBINATIONS AND SIMILAR TRANSACTIONS

NOTISUM APS

On 3rd January 2023, Karnov Group acquired Notisum ApS for a cash consideration of SEK 8.7 m. Cash acquired amounted to SEK 3.8 m and identified net assets to SEK 0.6 m whereof Customer relations of SEK 3.5 m. Allocation of Goodwill amounted to SEK 4.3 m.

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. In June 2023 Karnov Group concluded the closing settlement with Wolters Kluwer and paid additional SEK 50.2 m (EUR 4.6 m)

related to the businesses in Lamy Liaisons (France) and La Ley (Spain). Similarly, but in July 2023, was the closing settlement with Thomson Reuters concluded with a repayment of SEK 4.0 m (EUR 0.36 m) related to the business in Aranzadi (Spain). In addition to the settlement adjustments have minor corrections to the acquired net assets been identified and adjusted for, as well as minor updates to the purchase price allocation have been adjusted for. The net-zero reclassifications are consequential to the finalization of the purchase price allocation.

LEXNORDICS AB – DISCONTINUED BUSINESS

Karnov Group exited its 60% shareholding of LexNordics AB to LEX247 Cloud Service AB per 9 August 2023 against a shareholding in LEX247 Cloud Service AB of 19.9% valued at SEK 13.0 m. The derecognition of the fully consolidated balance sheet of LexNordics AB has reduced Other intangible assets by SEK 12.7 m, other net assets by SEK 4.3 m and non-controlling interests by SEK 5.2 m. A profit from the transaction of SEK 1.2 m has been recognised in other income.

Region South purchase price, MSEK	Original 30 Nov 2022	Reclassifi- cations	Changes to opening balance	Final 30 Nov 2022
Cash paid on closing date	1,769.6	-	-	1,769.6
Final settlement paid	-	-	46.2	46.2
Cash acquired	-134.9	-	0.4	-134.5
Total purchase price	1,634.7	-	46.6	1,681.3

Reported amounts, TSEK	Original 30 Nov 2022	Reclassifi- cations	Changes to opening balance	Final 30 Nov 2022
Intangible assets: Customer relations	225.1	-	-6.7	218.4
Intangible assets: Technology	314.2	-157.3	14.9	171.8
Intangible assets: Content	661.6	44.2	-2.3	703.5
Intangible assets: Trademarks	-	113.1	1.1	114.2
Tangible assets	177.6	-	-0.5	177.1
Inventories	6.6	-	-	6.6
Trade receivables and other receivables	370.8	-	-15.5	355.3
Loans and borrowings	-3.3	-	-	-3.3
Trade payables and other liabilities	-364.0	-	-10.2	-374.2
Accrued expenses and prepaid income	-782.6	-	29.1	-753.5
Deferred tax	-178.7	-	15.9	-162.8
Total identified net assets	427.3	-	25.7	453.0
Goodwill	1,207.4	-	20.9	1,228.3
Total	1,634.7	-	46.6	1,681.3

NOTE 33 RELATED PARTIES

The Group's related parties with significant influence include the Board, the Senior Executives and their close family. Related parties also include companies in which the aforementioned persons have control or significant influence. Karnov did not enter any significant transactions with related parties in 2023 nor in 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 or shareholdings in Karnov Group AB (publ). Please refer to Note 7.

NOTE 34 EVENTS AFTER THE BALANCE SHEET DATE

Karnov Group launches an Acceleration Initiative to generate further customer value and profitable growth. The Acceleration Initiative shall generate additional cost-efficiencies of 10 EUR m within the Group. The Acceleration Initiative shall have full effect on run-rate basis by the end of 2026. Cost-to-achieve is estimated to EUR 14 m.

Appropriation of profit and signatures

The Board of Directors of Karnov Group AB (publ) proposes that the Group's income statement and balance sheet be presented for adoption to the annual general meeting to be held on May 8, 2024. Karnov Group intends to invest in the Region South integration and the Acceleration Initiative to harvest synergies and improve the Group's profitability. The Board of Directors proposes no dividend for the Annual General Meeting on May 8, 2024.

AT THE DISPOSAL OF THE ANNUAL GENERAL MEETING

SEK	2023
Share premium	2,654,034,291
Retained earnings	-173,988,689
Net result	215,285,288
Total carried forward	2,695,330,890
The Board proposes that the profits be appropriated as follows:	
Proposed dividend	-
Amount carried forward	2,695,330,890

THE BOARD OF DIRECTORS' DECLARATION

The Board of Directors and the CEO certify that these consolidated financial statements and Annual report together with the Corporate Governance report on page 54-64 and the Sustainability report on pages 32-52 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.

The Directors' Report gives a fair overview of the development of the Group's and Parent company's operations, financial position and results of operations, and describes the significant risks and uncertainties facing the Parent company and the companies included in the Group. The undersigned hereby also submit Karnov Group's sustainability report for 2023.

Stockholm, March 22, 2024

Magnus Mandersson
Chairman of the Board

Ulf Bonnevier
Board member

Lone Møller Olsen
Board member

Salla Vainio
Board member

Loris Barisa
Board member

Ted Keith
Board member

Pontus Bodelsson
President and CEO

Our audit report was presented on March 22, 2024
PricewaterhouseCoopers AB

Martin Johansson
Authorized Public
Accountant
Auditor in charge

Patrik Larsson
Authorized Public
Accountant

Auditor's report

To the general meeting of the shareholders of Karnov Group AB (publ),
corporate identity number 559016-9016

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Karnov Group AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 66-106 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the consolidated statement of comprehensive income and consolidated balance sheet for the Group and the statement of comprehensive income and balance sheet for the parent company.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Impairment testing of goodwill and other acquired intangible assets</p> <p>With reference to note 10</p> <p>As of 31 December 2023, goodwill and other acquired intangible assets amounted to 5,124 MSEK. According to IFRS, an annual impairment test is to be performed. This impairment test is based on judgements and assumptions which are complex and involve a high degree of significant assessments on behalf of management. Note 10 describes the manner in which management has undertaken their assessment. It is also seen that no impairment requirement has been identified based on the applied assumptions.</p> <p>Impairment testing takes place for the separate segments as cash generating units.</p>	<p>In our audit, we have taken a position as regards the management's assumptions and assessments. This has taken place, for example, through an analysis of the degree to which previous years' assumptions have been achieved and has also considered possible adjustments of the assumptions from previous years due to the development of the operations and external factors. We have challenged management in regard to judgements concerning future cash flow and WACC. We have executed our own sensitivity analyses to test the safety margins. We have tested the impact of changes in significant assumptions such as growth rate and WACC on safety margins and, based on these, we have assessed the risk of an impairment requirement arising. We have also assessed the correctness of the disclosures included in the financial statements.</p>

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-52 and 111-114. The sustainability report is found on pages 32-52. Other information also consists of the remuneration report for 2023 which we obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going con-

cern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Karnov Group AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Karnov Group AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Karnov Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report has been marked with iXBRL in accordance with what follows from the ESEF regulation.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, with Martin Johansson as auditor in charge, was appointed auditor of Karnov Group AB (publ) by the general meeting of the shareholders on the 10 May 2023 and has been the company's auditor since 2015.

Stockholm, 22 March 2024
PricewaterhouseCoopers AB

Martin Johansson
Authorized Public Accountant
Auditor in charge

Patrik Larsson
Authorized Public Accountant

Quarterly overview

MSEK	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Income statement				
Net sales	634.2	618.9	607.8	613.7
EBITDA	126.7	133.5	118.9	144.7
EBITDA margin, %	20.0%	21.6%	19.6%	23.6%
EBITA	86.1	91.4	80.7	111.8
EBITA margin, %	13.6%	14.8%	13.3%	18.2%
Adjusted EBITA	122.0	116.0	109.3	140.4
Adjusted EBITA margin, %	19.2%	18.7%	18.0%	22.9%
Operating profit (EBIT)	34.1	35.9	28.9	57.3
EBIT, margin %	5.4%	5.8%	4.8%	9.3%
Net financial items	-9.2	-12.4	-61.5	-33.3
Profit for the period	23.5	21.2	-26.2	18.4
Balance sheet				
Non-current assets	5,956.6	6,220.0	6,407.3	6,174.7
Current assets*	975.9	736.6	966.9	1,327.8
Cash and cash equivalents	450.6	326.4	455.9	770.1
Equity	2,337.1	2,383.9	2,432.0	2,367.5
Non-current liabilities	2,775.3	2,950.6	3,039.0	3,285.0
Current liabilities*	1,820.1	1,622.1	1,903.2	1,850.0
Total assets	6,932.5	6,956.6	7,374.2	7,502.5
Cash flow				
Cash flow from operating activities	194.8	-42.4	17.4	167.2
Cash flow from Investing activities	-43.9	-37.8	-94.9	-44.3
Cash flow from financing activities	-21.8	-12.4	-278.4	-25.1
Cash flow for the period	129.1	-92.6	-355.9	97.8
Adjusted cash flow from operating activities	236.9	-23.0	60.0	210.0
Key ratios				
Net working capital	-844.2	-885.5	-936.3	-522.2
Equity/asset ratio, % *	33.7%	34.3%	33.0%	31.6%
Adjusted cash conversion, %	145.7%	-15.0%	40.7%	121.2%
Net debt**	1,755.6	1,958.6	1,889.6	1,733.8
Share data:				
Weighted average number of ordinary shares (thousands)	107,876	107,876	107,861	107,847
Earnings per share, basic, SEK	0.22	0.20	-0.24	0.17
Earnings per share, after dilution, SEK	0.22	0.20	-0.24	0.17

* comparison numbers have been adjusted in accordance with IFRS 15 section 12., please also refer to note 2.

** comparison numbers have been aligned with the updated leverage target of October 5, 2023 excluding lease liabilities from net debt.

Reconciliation of 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 financial definitions. Reconciliation of the alternative performance measures is shown below.

	North		South		Group Functions		Total	
MSEK	2023	2022	2023	2022	2023	2022	2023	2022
Organic business	1,042.9	958.8	118.3	-	-	-	1,161.2	958.8
Acquired business	7.1	14.4	1,268.1	114.2	-	-	1,275.2	128.6
Currency	35.8	26.1	2.4	-	-	-	38.2	26.1
Net sales	1,085.8	999.3	1,388.8	114.2	-	-	2,474.6	1,113.5
Total net sales split, %								
Organic growth, %	4.4%	9.2%	3.8%	-	-	-	4.3%	9.2%
Acquired business, %	0.7%	1.7%	1,110.4%	100.0%	-	-	114.5%	51.6%
Currency effect, %	3.6%	2.9%	2.1%	-	-	-	3.4%	4.6%
Total growth, %	8.7%	13.8%	1,116.3%	100.0%	-	-	122.2%	65.4%
EBITDA	515.5	462.7	101.4	-82.2	-93.1	-67.8	523.8	312.6
EBITDA margin, %	47.5%	46.3%	7.3%	-72.0%	-	-	21.2%	28.1%
Depreciations and amortisations	-74.4	-54.6	-79.3	-3.7	-0.1	-	-153.8	-58.3
EBITA	441.1	408.1	22.1	-85.9	-93.2	-67.8	370.0	254.3
EBITA margin, %	40.6%	40.8%	1.6%	-75.2%	-	-	15.0%	22.8%
Items affecting comparability	-3.1	-	-107.0	-96.0	-10.3	-13.4	-120.4	-109.4
Adjusted EBITDA	511.3	462.7	208.4	13.8	-82.8	-54.4	636.9	422.0
Adjusted EBITDA margin, %	47.1%	46.3%	15.0%	12.1%	-	-	25.7%	37.9%
Adjusted EBITA	441.5	408.1	129.1	10.1	-82.9	-54.4	487.7	363.7
Adjusted EBITA margin, %	40.7%	40.8%	9.3%	8.8%	-	-	19.7%	32.7%
Items affecting comparability								
Acquisition and post-closing integration cost	-	-	-107.0	-96.0	-10.3	-13.4	-117.3	-109.4
Restructuring costs	-3.1	-	-	-	-	-	-3.1	-
Total	-3.1	-	-107.0	-96.0	-10.3	-13.4	-120.4	-109.4
Items affecting comparability classification								
Operating costs	4.2	-	-107.0	-96.0	-10.3	-13.4	-113.1	-109.4
Depreciations and amortisations	-4.6	-	-	-	-	-	-4.6	-
Amortisations from acquisitions	-2.7	-	-	-	-	-	-2.7	-

ADJUSTED CASH CONVERSION

MSEK	2023	2022
Adjusted EBITDA	636.9	422.0
Cash flow from operating activities	337.0	275.9
Interest paid	128.0	24.0
Income tax paid	61.6	69.1
Cash effect adjustment related to items affecting comparability	113.1	109.3
Capex related to product development and enhancements	-155.8	-55.3
Adjusted cash flow from operating activities	483.9	423.0
Adjusted cash conversion, %	76.0%	100.2%

NET DEBT*

MSEK	31 Dec 2023	31 Dec 2022
Borrowing from credit institutions, long term	2,123.0	2,483.3
Borrowing from credit institutions, short term	83.2	-
Cash and cash equivalents	-450.6	-671.2
Net debt	1,755.6	1,812.1

LEVERAGE RATIO **

MSEK	31 Dec 2023	31 Dec 2022
Adjusted EBITDA LTM	636.9	582.0
Net debt*	1,755.6	1,812.1
Leverage ratio	2.8	3.1

* The definition of net debt has been aligned with the updated leverage target in which total borrowings exclude lease liabilities

**Leverage ratio for 2022 was calculated based on proforma figures from Region South, excluding leasing liabilities.

Financial definitions

This Annual Report report contains references to a number of performance measures. Some of these measures are defined in IFRS, while others are alternative measures and are not reported in accordance with applicable financial reporting frameworks or other legislation.

The measures are used by Karnov to help both investors and management to analyse its operations. The measures used in this 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 and amortisation.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales.	The measure is used since it facilitates the understanding of the operating profit, 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 are 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.

KEY RATIO	DEFINITION	REASON FOR USE
EBITA margin	EBITA as a percentage of net sales.	The measure shows the profitability over time for the underlying business (i.e., excluding PPA amortisation) in relation to net sales.
EBITDA	Earnings before depreciation and amortisation, financial items, and taxes.	The measure shows the operating profitability before depreciation and amortisation.
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 divided by Adjusted EBITDA.	The measure shows whether Karnov has an appropriate financing structure and is able to fulfil its commitments under its financing agreements.
Net debt	Total borrowings 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 break-down 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 break-down 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 year 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.
Proforma	Organic financial results and financial results from acquired entities on consolidated basis.	The measure provides the reader a greater overview of Region South and the new Group's financial results.

BETTER DECISIONS, FASTER.

WITH KARNOV GROUP
YOU WILL BE GUIDED TO
THE RIGHT ANSWER. EVERY TIME.