Half-year Report

JANUARY – JUNE 2024

Q2

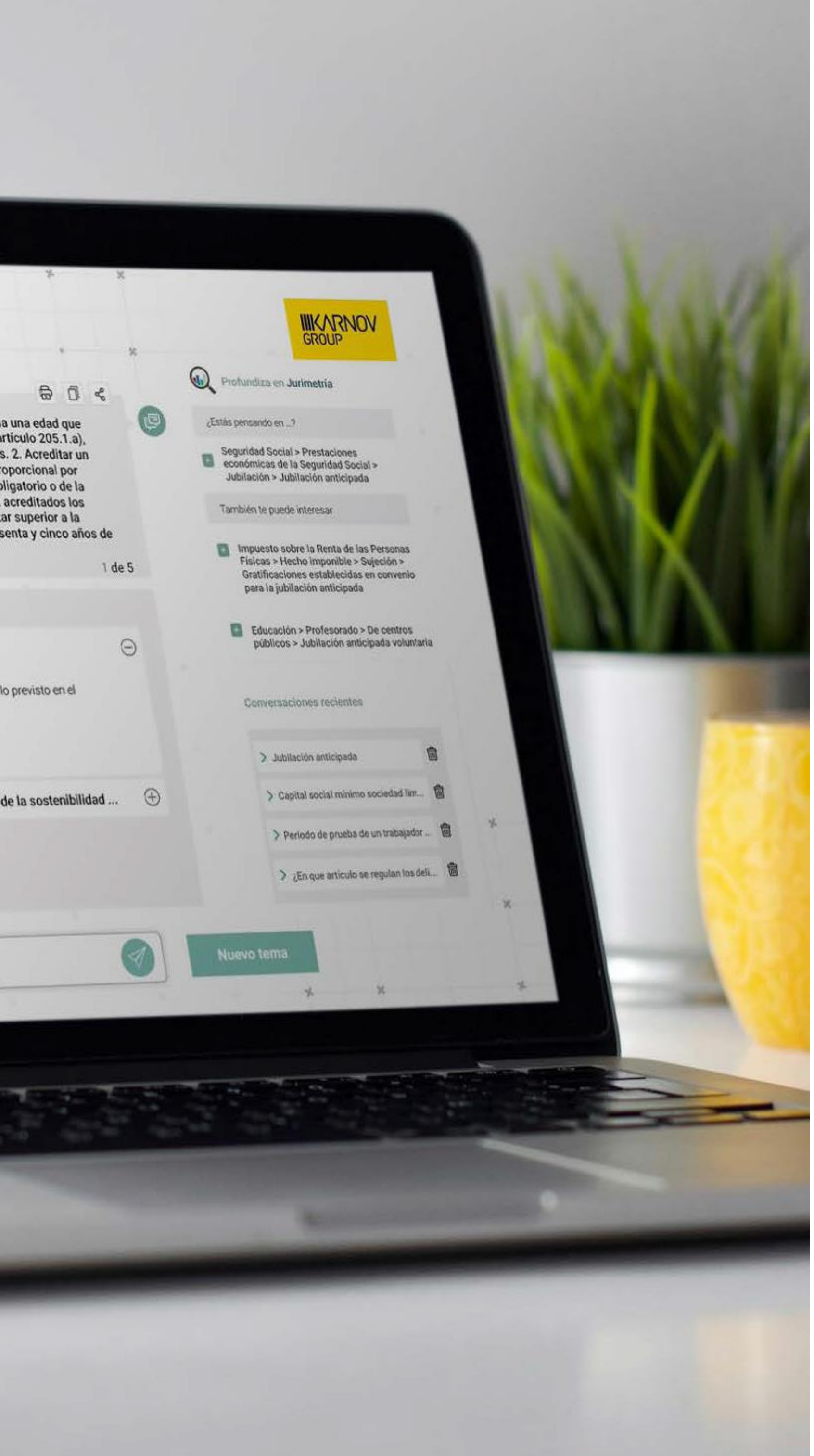
Delivering on the profitable growth strategy

3% ORGANIC GROWTH

21% ADJUSTED EBITA MARGIN

3.0x LEVERAGE

KARNOV GROUP



Financial highlights

SECOND QUARTER

- The Group's net sales increased by 2.5% to SEK 623 m (608). Organic growth (constant currency) was 2.6%. Currency effect was 0.3%.
- The Group's adjusted EBITA amounted to SEK 132 m (109) with adjusted EBITA margin of 21.1% (18.0).
- Net result amounted to SEK 1 m (-26).
- Earnings per share before and after dilution amounted to SEK 0.01 (-0.24).
- Adjusted free cash flow amounted to SEK 14 m (-15).

FIRST SIX MONTHS

- The Group's net sales increased by 2.7% to SEK 1,255 m (1,222). Organic growth (constant currency) was 2.5%. Currency effect was 0.4%.
- The Group's adjusted EBITA amounted to SEK 275 m (250) with adjusted EBITA margin of 21.9% (20.4).
- Net result amounted to SEK -11 m (-8).
- Earnings per share before and after dilution amounted to SEK -0.10 (-0.07).
- Adjusted free cash flow amounted to SEK 121 m (138).

BUSINESS HIGHLIGHTS

- Net sales growth was driven by increased online sales in Region North. Sales were stable in Region South.
- The adjusted EBITA margin improved significantly mainly as a result of the two cost-efficiency initiatives, generating cost-synergies on annual run-rate basis of EUR 7 m by the end of the second quarter.
- Karnov has acquired carved-out Schultz Legal Information business providing new customers on the Danish municipality market.
- Karnov has acquired Batir Technologies, generating increased customer value and profitable growth in France.

KEY FINANCIAL RATIOS FOR THE GROUP

	Q2			Jan-Jun			Jan-Dec
MSEK	**2024**	**2023**	**Δ%**	**2024**	**2023**	**Δ%**	**2023**
Net sales	622.8	607.8	2.5%	1,254.5	1,221.5	2.7%	2,474.6
Organic growth, %	2.6%	8.2%		2.5%	6.9%		4.3%
EBITA	78.4	80.7	-2.8%	185.7	192.5	-3.5%	370.0
EBITA margin, %	12.6%	13.3%		14.8%	15.8%		15.0%
Adjusted EBITA	131.6	109.3	20.4%	275.1	249.7	10.2%	487.7
Adjusted EBITA margin, %	21.1%	18.0%		21.9%	20.4%		19.7%
Profit for the period	0.8	-26.2	102.9%	-11.0	-7.8	-41.6%	36.9
Adjusted free cash flow	13.9	-14.6	195.2%	120.5	138.1	-12.7%	231.0

Comment by the CEO

Karnov Group delivers on its profitable growth strategy with strong innovation momentum and increased customer value. In Q2, we achieved an organic growth of 3% and the adjusted EBITA margin was 21%. We deliver on our cost-initiatives and have decreased the cost-base by EUR 7 m on annual run-rate basis. In the quarter we have expanded our mission-critical solutions through acquisitions in Denmark and France.

DELIVERING ON THE PROFITABLE GROWTH STRATEGY

The Group's net sales amounted to SEK 623 m in the quarter, a solid increase from the previous year. Our proprietary content is mission-critical for legal professionals in our local European markets, and we deliver on our profitable growth strategy combining organic growth with value-accretive acquisitions. In the second quarter, we acquired the carved-out Schultz legal information business in Denmark, which generated a broader customer base and stronger offering on the Danish municipality market. After the end of the quarter, we acquired the minor business Batir Technologies, which is a market-leading calculation tool for tax in the French real estate market. The acquisition of Batir Technologies is another step to deliver increased customer value and profitable growth in France.

The Group's adjusted EBITA margin reached 21% in the second quarter, an improvement compared to previous year. We focus on our cost-base and deliver on the synergies from our two initiatives.

The adjusted free cash flow was SEK 14 m in the second quarter and leverage was 3.0x adjusted EBITDA LTM following the completed acquisition of Schultz, in line with our financial target.

CONTENT MIGRATION COMPLETED IN SPAIN

We continue to progress ahead of plan with the Region South integration as well as harvesting synergies. We have now migrated 100% of the Aranzadi content onto the common content platform.

In parallel, we have good innovation momentum and are preparing the launch of the updated product suite as well as new AI solutions for increased customer value this autumn.

By the end of the second quarter, the annual run-rate synergies from the Region South integration amounted to EUR 4 m. We reiterate our ambition to generate synergies of EUR 7.5 m on annual run-rate basis by the end of 2024 and EUR 10 m on annual run-rate basis by the end of 2026.

DELIVERING ON THE ACCELERATION INITIATIVE

Encouraged by the successful merger in Spain and the new opportunities from global technology shifts, we launched our Acceleration Initiative in February this year. This is a Group-wide initiative to generate further customer value as well as additional efficiencies of EUR 10 m on annual run-rate basis by the end of 2026.

By the end of the second quarter, the annual run-rate synergies from the Acceleration Initiative amounted to EUR 3 m, coming from primarily Region North and Group.

BUILDING FOR THE FUTURE

We deliver on our profitable growth strategy and are equally focused on innovating for increased customer value. We have a strong pipeline of AI innovations to be launched on all local markets during the autumn.

" Karnov Group has expanded its mission-critical solutions and delivered on the Group's profitable growth strategy, resulting in solid net sales growth and strong margins improvement in the second quarter.

Pontus Bodelsson, President and CEO

3%

ORGANIC GROWTH Q2

"We deliver on our profitable growth strategy combining organic growth with value-accretive acquisitions."

21%

ADJUSTED EBITA MARGIN Q2

"We have a strong focus on costs and deliver on the synergies from our two cost-efficiency initiatives."

3.0x

LEVERAGE Q2

"Leverage was 3.0x adjusted EBITDA LTM following the completed acquisitions, in line with our financial target."

Group financial performance

Second quarter

	Q2			Jan-Jun			Jan-Dec
MSEK	**2024**	**2023**	**Δ%**	**2024**	**2023**	**Δ%**	**2023**
Net sales	622.8	607.8	2.5%	1,254.5	1,221.5	2.7%	2,474.6
Organic growth, %	2.6%	8.2%		2.5%	6.9%		4.3%
EBITA	78.4	80.7	-2.8%	185.7	192.5	-3.5%	370.0
EBITA margin, %	12.6%	13.3%		14.8%	15.8%		15.0%
Adjusted EBITA	131.6	109.3	20.4%	275.1	249.7	10.2%	487.7
Adjusted EBITA margin, %	21.1%	18.0%		21.9%	20.4%		19.7%
EBIT	24.4	28.9	-15.6%	79.3	86.2	-8.1%	156.2
EBIT margin, %	3.9%	4.8%		6.3%	7.1%		6.3%

NET SALES AND GROWTH

For the three-month period, April-June 2024, net sales increased by SEK 15 m to SEK 623 m (608). Organic growth on a constant currency basis was 2.6 percent and currency effects had a positive impact on net sales of 0.3 percent. Online sales amounted to 84 percent in the quarter (83).

Net sales growth within the Group is driven by increased online sales, as we sell more licenses and attract new customers, mainly within the public sector in Sweden. Our solutions are mission-critical for our customers and growth is driven by volume and price increases. We continue to deliver strong growth within EHS and T&A, as well as legal training in France. Sales of books and printed material declined in line with the general market trend.

During the quarter we have expanded the Group's mission-critical online solutions through acquisitions in Denmark and France.

For the first six months, January-June 2024, net sales increased by SEK 33 to SEK 1,255 m (1,222). Organic growth on a constant currency basis was 2.5 percent and currency effects had a positive impact on net sales of 0.4 percent.

OPERATING PROFIT (EBIT)

EBITA for the quarter amounted to SEK 78 m (81) and EBITA margin amounted to 12.6 percent (13.3). The EBITA performance includes items affecting comparability of SEK 53 m (29) relating to integration work in Region South and the Acceleration Initiative.

Adjusted EBITA amounted to SEK 132 m (109) and adjusted EBITA margin amounted to 21.1 percent (18.0).

The product mix has contributed with decreasing cost of goods sold, while cost-savings from the two cost-efficiency initiatives have positive impact on the margins.

Operating profit (EBIT) was SEK 24 m (29) for the quarter, a slight decline due to the increased items affecting comparability.

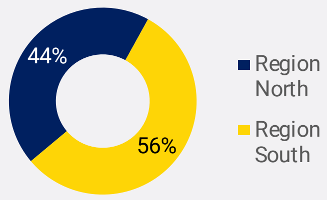
For the first six months, EBITA amounted to SEK 186 m (193) and the EBITA margin amounted to 14.8 percent (15.8). Adjusted EBITA amounted to SEK 275 m (250) and the adjusted EBITA margin amounted to 21.9 percent (20.4). Operating profit (EBIT) amounted to SEK 79 m (86) for the first six months.

SYNERGIES FROM THE ACCELERATION INITIATIVE

The realised synergies in the second quarter amounted to EUR 0.8 m. The annual run-rate cost synergies by the end of the second quarter amounted to EUR 3.3 m. Cost-to-achieve amounted to EUR 0.8 m in the second quarter.

	Q2		Jan-Jun	
MEUR	**2024**	**2023**	**2024**	**2023**
Realised synergies	0.8	-	1.1	-
Annual run-rate synergies	3.3	-	3.3	-
Cost to achieve	0.8	-	1.9	-

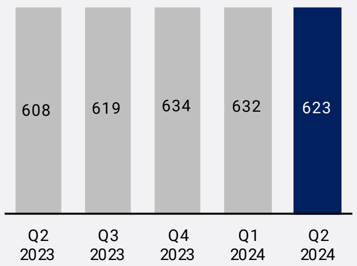
NET SALES BY SEGMENT Q2 (%)



3%

ORGANIC GROWTH

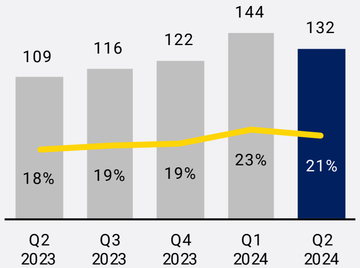
NET SALES PER QUARTER, MSEK



21%

ADJUSTED EBITA MARGIN

ADJUSTED EBITA, MSEK AND MARGIN, % PER QUARTER



SHARE OF PROFIT IN ASSOCIATED COMPANIES

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

NET FINANCIAL ITEMS

Net financial items for the quarter amounted to SEK -25 m (-62). The interest expenses were approximately SEK 2 m lower than in the same quarter last year. The quarter was positively impacted by currency adjustments of SEK 12 m (-22) relating to long-term loans in EUR.

Net financial items for the first six months amounted to SEK -94 m (-95).

PROFIT BEFORE AND AFTER TAX, EARNINGS PER SHARE

Profit before tax for the quarter increased by SEK 32 m to SEK -1 m (-33). Profit after tax for the quarter was SEK 1 m (-26). Taxes amounted to SEK 2 m (7). Earnings per share after dilution was SEK 0.01 (-0.24) for the quarter.

For the first six months, profit before tax amounted to SEK -17 m (-12) and profit after tax amounted to SEK -11 (-8). Earnings per share after dilution was SEK -0.10 (-0.07) for the first six months.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities amounted to SEK 17 m (17). This unchanged level of cash flow from operating activities is despite the significantly higher level of items affecting comparability of SEK 53 m (29). Adjusted free cash flow for the quarter improved to SEK 14 m (-15).

Total investments for the quarter amounted to SEK -431 m (-95). The investments during the quarter relate mainly to business acquisitions.

Total financing for the quarter amounted to SEK 394 m (-278), mostly relating to proceeds from borrowings from credit institutions to finance business acquisitions.

Cash from from operating activities for the first six months amounted to SEK 149 m (185). The slight decline is mainly explained by taxes paid as well as increased financial expenses.

ADJUSTED FREE CASH FLOW

	Q2		Jan-Jun		Jan-Dec
MSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Cash flow from operating activities	17.4	17.4	148.6	184.6	337.0
Acquisition of intangible and tangible assets	-42.1	-40.7	-83.7	-76.3	-163.0
Payment of lease liabilities	-14.6	-19.9	-33.8	-27.4	-63.4
Free cash flow	-39.3	-43.2	31.1	80.9	110.6
Items affecting comparability	53.2	28.6	89.4	57.2	120.4
Adjusted free cash flow	**13.9**	**-14.6**	**120.5**	**138.1**	**231.0**

FINANCIAL POSITION

Net debt was SEK 2,163 m at the end of the period. The net debt has increased by SEK 407 m compared to the end of the previous year, mainly due to business acquisitions.

The leverage at the end of the period, based on proforma adjusted EBITDA LTM excluding leasing liabilities, was 3.0 (3.1) times.

Cash and cash equivalents at the end of the period amounted to SEK 494 m (456) and the Group had at the end of June 2024 unutilized credit lines of EUR 28 m.

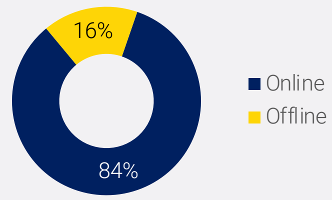
NET DEBT

MSEK	30 Jun 2024	30 Jun 2023	31 Dec 2023
Total borrowings	2,657.4	2,345.4	2,206.2
Cash and cash equivalents	494.3	455.9	450.6
Net debt*	**2,163.1**	**1,889.5**	**1,755.6**
Leverage ratio **	3.0	3.1	2.8

* The definition of net debt has been aligned with the updated leverage target in which total borrowings exclude lease liabilities. This is impacting previously reported numbers for Q2 2023.

** Please also note that LTM Adjusted EBITDA includes proforma numbers from Schultz acquisition which has an impact on leverage ratio for Q2 2024. See more information regarding acquisition in note 4.

NET SALES SPLIT ONLINE/OFFLINE PER Q2, %



SEK 14 m

ADJUSTED FREE CASH FLOW

3.0x

LEVERAGE

Segment performance

Region North

	Q2			Jan-Jun			Jan-Dec
MSEK	**2024**	**2023**	**Δ%**	**2024**	**2023**	**Δ%**	**2023**
Net sales	274.8	258.8	6.2%	568.4	536.5	5.9%	1,085.8
Organic growth, %	6.8%	8.2%		6.3%	6.9%		4.4%
Adjusted EBITDA	140.2	120.2	16.7%	286.5	257.0	11.5%	511.3
Adjusted EBITDA margin, %	51.0%	46.4%		50.4%	47.9%		47.1%
Adjusted EBITA	119.6	102.7	16.5%	246.5	223.2	10.5%	441.5
Adjusted EBITA margin, %	43.5%	39.7%		43.4%	41.6%		40.7%

NET SALES AND GROWTH

Net sales for the quarter increased by 6.2 percent to SEK 275 m (259) from organic growth of 6,8% primarily. Online sales accounted for 95 percent (93) in the quarter.

Growth is driven by online sales, mainly within the legal research area. The strongest growth driver is the public sector in Sweden, as we have sold more licenses to both public administrations as well as municipalities. Our solutions are mission-critical for our customers, and we continue to increase the customer value.

Our EHS businesses are successful in new sales, closing new contracts mainly within the corporate segment.

Our workflow business DIBkunnskap has good traction in Norway and Sweden, and the recently launched ESG module focused on CSRD compliance has contributed to the net sales growth.

On June 19, 2024, Karnov Group expanded its mission-critical solutions in Denmark through the acquisition of carved-out Schultz legal information business. The acquisition provided new customers on the Danish municipality market. No net sales have been recognised in the second quarter. Please refer to note 4 for more information.

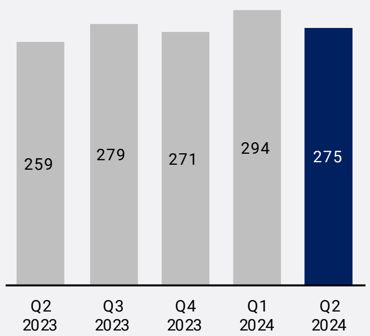
For the first six months, net sales amounted to SEK 568 m (537). Organic growth on a constant currency basis was 6.3 percent and currency effects had a neutral impact on net sales of 0.0 percent.

ADJUSTED EBITA

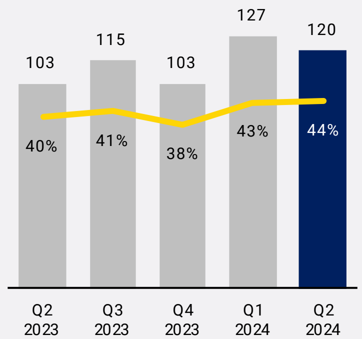
In the second quarter, adjusted EBITA amounted to SEK 120 m (103) and adjusted EBITA margin amounted to 43.5 percent (39.7). The margin increase is due to cost-savings from the Group wide Acceleration Initiative, as well as product mix coming from a higher portion of online sales.

For the first six months, adjusted EBITA amounted to SEK 247 m (223) and the adjusted EBITA margin amounted to 43.4 percent (41.6).

NET SALES PER QUARTER, MSEK



ADJUSTED EBITA, MSEK AND MARGIN, % PER QUARTER



Region North is specialised in online and offline legal solutions; the environmental, health and safety compliance; audit and accounting solutions; and e-courses. The segment provides online tools for the broad legal services market, including contract templates. The segment includes Karnov Group Denmark, Norstedts Juridik, DIBkunnskap, Notisum, Echoline, QSE Conseil, DIB Viden, Legal Cross Border, Ante and BELLA Intelligence.

Segment performance

Region South

MSEK	Q2 2024	Q2 2023	Δ%	Jan-Jun 2024	Jan-Jun 2023	Δ%	Jan-Dec 2023
Net sales	348.0	349.0	-0.3%	686.1	685.0	0.2%	1,388.8
Organic growth, %	-0.6%	-		-0.4%	-		3.8%
Adjusted EBITDA	52.4	45.9	14.2%	107.1	100.1	7.0%	208.4
Adjusted EBITDA margin, %	15.1%	13.2%		15.6%	14.6%		15.0%
Adjusted EBITA	33.6	25.2	33.2%	69.0	62.8	9.9%	129.1
Adjusted EBITA margin, %	9.7%	7.2%		10.1%	9.2%		9.3%

NET SALES AND GROWTH
Net sales for the quarter were SEK 348 m (349). The organic growth was -0.6 percent while currency effects had a positive impact of 0.3 percent. Online sales accounted for 75 percent in the quarter (76).

Sales were driven by solid sales growth of legal training in France in the second quarter, off-set by product rationalisation and optimised sales organisation in Spain which has impacted net sales in the quarter.

We focus mainly on online sales as the business climate for printed material is declining in line with the general market trend.

During the autumn, we will launch new AI based product offerings in both Spain and France for future growth.

For the first six months, net sales amounted to SEK 686 m (685). Organic growth on a constant currency basis was -0.4 percent and currency effects had a positive impact on net sales of 0.6 percent.

ADJUSTED EBITA
In the second quarter, adjusted EBITA amounted to SEK 34 m (25) and adjusted EBITA margin was 9.7 percent (7.2).

The margin improvement is mainly due to cost synergies from the integration coming through according to plan. The comparing quarter the previous year was also operating with additional costs due to phasing.

For the first six months, the adjusted EBITA amounted to SEK 69 m (63) and the adjusted EBITA margin amounted to 10.1 percent (9.2).

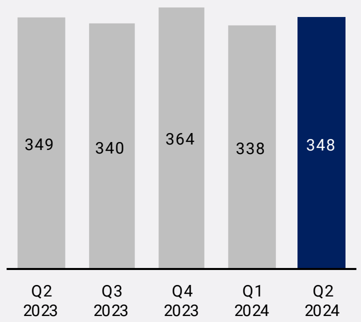
SYNERGIES IN REGION SOUTH
By the end of the second quarter, realised cost synergies amounted to EUR 1.0 m. The annual run-rate cost synergies by the end of the second quarter amounted to EUR 4.0 m. Cost-to-achieve amounted to EUR 3.1 m in the second quarter.

For the first six months, the realised cost synergies amounted to EUR 1.8 m. Cost-to-achieve amounted to EUR 5.0 m for the first six months.

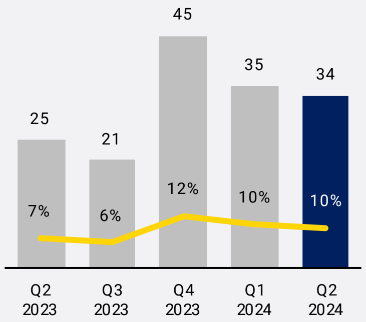
The total cost-to-achieve, by 2026, is estimated to EUR 24 m.

MEUR	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Dec 2023
Realised synergies	1.0	-	1.8	0.7
Annual run-rate synergies	4.0	-	4.0	2.0
Cost to achieve	3.1	-	5.0	9.0

NET SALES PER QUARTER, MSEK



ADJUSTED EBITA, MSEK AND MARGIN, % PER QUARTER



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

Segment performance

Group functions

	Q2			Jan-Jun			Jan-Dec
MSEK	**2024**	**2023**	**Δ%**	**2024**	**2023**	**Δ%**	**2023**
Adjusted EBITA	-21.6	-18.6	15.9%	-40.4	-36.3	11.1%	-82.9

ADJUSTED EBITA

The Group functions cover the Group wide tasks such as Group Management, Information Security, Compliance, HR, Investor Relations and Group Finance functions.

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

Other information

RISKS AND UNCERTAINTIES

Through its operations Karnov Group is exposed to different risks, which can give rise to fluctuations in earnings and cash flow. Material risks and uncertainties include sector and market-related risks, business-related risks and financial risks.

The invasion of Ukraine and expanded conflict in the Middle East region 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 conflicts and has no direct exposure towards any of the involved countries.

Karnov's significant risks and risk management are described on page 70-71 in the 2023 Annual report, available at the Company's website www.karnovgroup.com.

SEASONAL VARIATIONS

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

EMPLOYEES

Average number of Full-Time Employees (FTEs) in the second quarter amounted to 1,200 (1,248). The decrease is due to harvesting of cost-synergies in both Region North and Region South. On average during the second quarter, 58% (58) of the workforce were women and 42% (42) men.

SHARES, SHARE CAPITAL AND SHAREHOLDERS

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

On 30 June 2024, the total number of shares and votes in Karnov Group AB (publ) amounts to 108,102,047 shares and 107,898,735.2 votes. Each share has a quotient value of approximately SEK 0.015385. The total number of shares consists of 107,876,145 ordinary shares, which carry one vote per share, and 225,902 shares of series C, which carry one-tenth of a vote per share. A detailed description of changes in the share capital is available on the Company's website, www.karnovgroup.com/en/share-capital-development/.

On 30 June 2024, the Company had 1,420 known shareholders. The five largest shareholders in Karnov Group AB (publ) were Long Path Partners, Invesco, Swedbank Robur Funds, Greenoaks Capital and Anabranch Capital.

FINANCIAL TARGETS

The Board of Directors has adopted the following financial targets:

- Net sales organic annual growth of 4-6% in the medium term.
- Adjusted EBITA margin in excess of 25% in the medium term and in excess of 30% in the long term.
- Ratio of Net debt to LTM Adjusted EBITDA, excluding leasing liabilities, of no more than 3.0. This ratio may temporarily be exceeded, for example as a result of acquisitions.
- The objective is to distribute 30–50% of the annual net profit, after considering indebtedness and future growth opportunities, including acquisitions.

ESG STRATEGY

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 institutions. The core of Karnov's business is to make the true pillar of democracy - the rule of law - accessible, sharable and debatable, thereby enabling our customers to make better decisions faster. This is how we facilitate access to justice and 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.

INCENTIVE PROGRAMS

Karnov Group currently has two long-term incentive programs, LTIP 2023 and LTIP 2024, which are share saving programs. The purpose of the programs is to encourage ownership amongst the Company's employees, retain competent employees, facilitate recruitment, increase the alignment of interest between the employees and the Company's shareholders and increase motivation to reach or exceed the Company's financial targets.

The employees participating in the program have allocated acquired or already held ordinary shares to the program (so-called savings shares).

19 employees participate in LTIP 2023 and 18 employees participate in LTIP 2024. The participants have allocated a total of 174,130 savings shares to the programs. Full allotment would mean that the total number of shares under the program will amount to no more than 659,400 ordinary shares, corresponding approximately 0.6 per cent of the total number of shares outstanding in the Company. For more information see www.karnovgroup.com/en/incentive-program/

RELATED-PARTY TRANSACTIONS

Karnov Group did not undertake any significant transactions with related parties in the second quarter 2024 except from compensation and benefits to the Board members and managing director received as a result of their membership of the Board, employment with Karnov Group or shareholdings in Karnov Group AB (publ).

SIGNIFICANT EVENTS

Second quarter

- Karnov Group acquired the minor French EHS solutions provider QSE Conseil SAS to generate a strong presence in the local French EHS market and accelerate the expansion within EHS. The transaction was closed on 29 April 2024.
- Karnov Group acquired carved out legal information business of Schultz in Denmark. The acquisition provides Karnov Group new customers on the Danish municipality market and strengthens Karnov's portfolio of local content to develop best-in-class generative AI solutions for customers. The transaction was closed on 19 June 2024.

Events after the end of the period

- Karnov Group acquired the minor French business Batir Technologies SAS. Batir Technologies delivers a market-leading workflow tool for tax calculation in the French real estate market. The acquisition of Batir Technologies is another step to deliver increased customer value and profitable growth in France. The transaction was closed on 16 July 2024.

PARENT COMPANY

The operating profit (EBIT) for the quarter amounted to SEK -13 m (-5).

OUTLOOK

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

REVIEW

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

DISCLOSURE

This half-year report contains inside information that Karnov Group AB (publ) is required to make public pursuant to the EU Market Abuse Regulation (MAR) and information that Karnov Group AB (publ) is required to make public pursuant to the Swedish Securities Market Act. The information was submitted for publication by the contact person below on 21 August 2024 at 07.45 AM CEST.

Karnov Group AB (publ)
Stockholm, 21 August 2024

Pontus Bodelsson
President and CEO

FOR FURTHER INFORMATION, PLEASE CONTACT:

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FINANCIAL CALENDAR 2024

Interim report January-September 2024	6 November 2024

Q2 PRESENTATION WEBCAST

Karnov Group will present the second quarter for analysts and investors via a webcast teleconference on 21 August at 9:00 AM CEST.
To participate, use the following link:
https://ir.financialhearings.com/karnov-group-q2-report-2024 or register here for dial-in numbers:
https://conference.financialhearings.com/teleconference/?id=50048830.

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

Signatures

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

Stockholm on 21 August 2024

Magnus Mandersson
Chairman of the Board

Ulf Bonnevier
Board member

Salla Vainio
Board member

Lone Møller Olsen
Board member

Loris Barisa
Board member

Ted Keith
Board member

Pontus Bodelsson
President and CEO

Consolidated statement of comprehensive income

		Q2		Jan-Jun		Jan-Dec
MSEK	**Note**	**2024**	**2023**	**2024**	**2023**	**2023**
Net sales	3	622.8	607.8	1,254.5	1,221.5	2,474.6
Total revenue		**622.8**	**607.8**	**1,254.5**	**1,221.5**	**2,474.6**
Costs of goods sold		-85.4	-93.3	-174.2	-184.2	-365.3
Employee benefit expenses		-290.9	-273.2	-567.4	-530.0	-1,131.1
Depreciations and amortisations		-93.5	-90.0	-184.7	-177.4	-367.8
Other operating income and expenses		-128.6	-122.4	-248.9	-243.7	-454.2
Operating profit (EBIT)		**24.4**	**28.9**	**79.3**	**86.2**	**156.2**
Share of profit in associated companies		-0.8	-0.8	-2.1	-2.9	-5.4
Financial income		1.6	2.9	3.7	3.5	35.5
Financial expenses		-26.4	-64.4	-98.1	-98.3	-151.9
Profit before tax		**-1.2**	**-33.4**	**-17.2**	**-11.5**	**34.4**
Tax on profit for the period		2.0	7.2	6.2	3.7	2.5
Profit for the period		**0.8**	**-26.2**	**-11.0**	**-7.8**	**36.9**
Other comprehensive income:						
Items that may be reclassified to the income statement:						
Exchange differences on translation of foreign operations		-24.7	89.5	48.1	112.0	-26.6
Actuarial gains/losses on defined benefit plans		-	-	-	-	2.0
Other comprehensive income for the period		**-24.7**	**89.5**	**48.1**	**112.0**	**-24.6**
Total comprehensive income for the period		**-23.9**	**63.3**	**37.1**	**104.2**	**12.3**
Profit for the period is attributable to:						
Owners of Karnov Group AB (publ)		0.7	-26.2	-11.0	-7.8	38.2
Non-controlling interests		0.1	-	-	-	-1.3
Profit for the period		**0.8**	**-26.2**	**-11.0**	**-7.8**	**36.9**
Total comprehensive income for the period is attributable to:						
Owners of Karnov Group AB (publ)		-23.9	63.3	37.1	104.2	13.6
Non-controlling interests		-	-	-	-	-1.3
Total comprehensive income		**-23.9**	**63.3**	**37.1**	**104.2**	**12.3**
Earnings per share, basic, SEK		0.01	-0.24	-0.10	-0.07	0.34
Earnings per share, after dilution, SEK		0.01	-0.24	-0.10	-0.07	0.34
Weighted average number of ordinary shares (thousands)		107,876	107,861	107,876	107,854	107,862
Effect of performance shares (thousands)		226	241	226	248	240
Weighted average number of ordinary shares adjusted for the effect of dilution (thousands)		108,102	108,102	108,102	108,102	108,102

Consolidated balance sheet

MSEK	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS:				
Non-current assets				
Goodwill		3,550.6	3,457.5	3,251.1
Other intangible assets		2,456.6	2,420.6	2,233.1
Right-of-use assets		185.3	252.7	201.1
Property, plant and equipment		39.6	44.7	41.2
Investments in associated companies		47.0	55.0	48.8
Other financial investments		13.0	-	13.0
Loans to associated companies		26.0	25.2	25.2
Deposits		12.7	9.2	7.7
Deferred tax assets		137.2	142.4	135.4
Total non-current assets		**6,468.0**	**6,407.3**	**5,956.6**
Current assets				
Inventories		20.4	20.8	18.7
Trade receivables*	4	364.0	386.4	411.9
Prepaid expenses		69.0	56.2	57.5
Other receivables		33.1	21.7	10.6
Current tax receivables		39.9	25.9	26.6
Cash and cash equivalents	4	494.3	455.9	450.6
Total current assets		**1,020.7**	**966.9**	**975.9**
TOTAL ASSETS		**7,488.7**	**7,374.2**	**6,932.5**

* Comparison numbers have been adjusted in accordance with IFRS 15 section 12. Adjusted amount in Q2 2023 is 38.5 MSEK impacting Trade receivables and Prepaid income.

Consolidated balance sheet, cont.

MSEK	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
EQUITY AND LIABILITIES:				
Share capital		1.7	1.7	1.7
Share premium		2,654.0	2,654.0	2,654.0
Treasury shares		-	-	-
Reserves		-205.3	-114.8	-253.4
Retained earnings including net profit for the period		-73.7	-115.4	-65.3
Equity attributable to the parent company's shareholders		**2,376.7**	**2,425.5**	**2,337.0**
Non-controlling interests		-	6.5	-
Total equity		**2,376.7**	**2,432.0**	**2,337.0**
Borrowing from credit institutions	4	2,543.8	2,257.0	2,123.0
Lease liabilities		163.4	224.0	179.1
Deferred tax liabilities		332.0	405.6	342.3
Provisions		80.0	64.0	78.4
Other non-current liabilites		52.8	88.4	52.5
Total non-current liabilities		**3,172.0**	**3,039.0**	**2,775.3**
Borrowing from credit institutions	4	113.6	88.4	83.2
Trade payables	4	73.1	129.2	111.3
Current tax liabilities		1.5	16.8	30.0
Accrued expenses		454.6	474.5	479.5
Prepaid income*		1,067.3	1,071.5	921.7
Lease liabilities		46.8	64.6	52.9
Other current liabilities	4	183.1	58.2	141.6
Total current liabilities		**1,940.0**	**1,903.2**	**1,820.2**
TOTAL EQUITY AND LIABILITIES		**7,488.7**	**7,374.2**	**6,932.5**

* Comparison numbers have been adjusted in accordance with IFRS 15 section 12. Adjusted amount in Q2 2023 is 38.5 MSEK impacting Trade receivables and Prepaid income.

Consolidated statement of changes in equity

	Equity attributable to the parent company's shareholders							
MSEK	Share capital	Share premium	Treasury shares	Reserves	Retained earnings	Equity attributable to the parent company's shareholders	Non-controlling interests	Total equity
Balance at January 1 2024	**1.7**	**2,654.0**	**-**	**-253.4**	**-65.3**	**2,337.0**	**-**	**2,337.0**
Profit for the period	-	-	-	-	-11.0	-11.0	-	-11.0
Other comprehensive income for the period	-	-	-	48.1	-	48.1	-	48.1
Total comprehensive income/loss	**-**	**-**	**-**	**48.1**	**-11.0**	**37.1**	**-**	**37.1**
Transaction with shareholders in their capacity as owners:								
Sharebased payment	-	-	-	-	2.6	2.6	-	2.6
Total transaction with shareholders	**-**	**-**	**-**	**-**	**2.6**	**2.6**	**-**	**2.6**
Closing balance at 30 June 2024	**1.7**	**2,654.0**	**-**	**-205.3**	**-73.7**	**2,376.7**	**-**	**2,376.7**

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

Consolidated statement of cash flows

	Q2		Jan-Jun		Jan-Dec
MSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Operating profit (EBIT)	24.4	28.9	79.3	86.2	156.2
Non-cash items	97.8	90.8	189.4	178.4	367.9
Effect of changes in working capital:					
Change in inventories	-0.2	0.3	-1.5	0.1	1.8
Change in receivables*	80.4	81.9	30.5	18.1	-19.5
Change in trade payables and other payables	-44.1	-70.0	-151.4	-123.3	-2.1
Provisions paid	-	-	-	-3.2	-1.4
Change in prepaid income*	-98.0	-70.3	122.4	110.7	23.7
Net effect of changes in working capital	**-61.9**	**-58.1**	**0.0**	**2.4**	**2.5**
Net financial items, paid	-35.0	-31.5	-67.7	-62.7	-128.0
Corporate tax paid	-7.9	-12.7	-52.4	-19.7	-61.6
Cash flow from operating activities	**17.4**	**17.4**	**148.6**	**184.6**	**337.0**
Business combinations	-387.9	-54.2	-388.0	-62.9	-54.9
Other financial investments	-0.5	-	-4.8	-	-3.0
Acquisition of intangible assets	-40.9	-38.5	-82.5	-69.1	-155.8
Acquisition of property, plant and equipment	-1.2	-2.2	-1.2	-7.2	-7.2
Cash flow from investing activities	**-430.5**	**-94.9**	**-476.5**	**-139.2**	**-220.9**
Repayment long-term debt	-83.2	-2,587.9	-83.2	-2,587.9	-2,587.9
Proceeds long-term debt	491.4	2,331.5	491.4	2,331.5	2,330.6
Payment of lease liabilities	-14.6	-19.9	-33.8	-27.4	-63.4
Change in long-term receivables	0.1	-2.0	-	-2.6	0.1
Payment of contingent considerations	-	-0.1	-0.9	-17.1	-17.1
Cash flow from financing activities	**393.7**	**-278.4**	**373.5**	**-303.5**	**-337.7**
Cash flow for the period	**-19.4**	**-355.9**	**45.6**	**-258.1**	**-221.6**
Cash and cash equivalents at the beginning of the period	523.7	770.1	450.6	671.2	671.2
Exchange-rate differences in cash and cash equivalents	-10.0	41.7	-1.9	42.8	1.0
Cash and cash equivalents at the end of the period	**494.3**	**455.9**	**494.3**	**455.9**	**450.6**

*Comparison numbers have been adjusted in accordance with IFRS 15 section 12. Adjusted amount in Q2 YTD is 87.4 MSEK impacting Trade receivables and Prepaid income. Adjusted amount for Q2 isolated amounts to 11.1 MSEK.

Notes

NOTE 1 ACCOUNTING POLICIES

The consolidated interim financial statements for Karnov Group have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, RFR 1 Supplementary Accounting Regulations for Groups and the Swedish Annual Accounts Act. The accounting policies used for this interim report 2024 are the same as the accounting policies used for the annual report 2023 to which we refer for a full description. The interim financial statements for the parent company have been prepared in accordance with RFR 2, Accounting for Legal Entities, and the Swedish Annual Accounts Act.

NOTE 2 CRITICAL ESTIMATES AND JUDGEMENTS

Preparation of financial statements requires the company management to make assessments and estimates along with assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. The actual outcome may differ from these estimates. The critical assessments and sources of uncertainty in the estimates are the same as in the most recent annual report. See the Annual report 2023 Note 4, page 88, for further details regarding critical estimates and judgements.

NOTE 3 SEGMENT REPORTING

The Group CEO has been identified as the chief operating decision maker and assesses the financial performance and position of the Group and makes strategic decisions. Segment profits are monitored to Adjusted EBITA. Income statement items below Adjusted EBITA, balance sheet and cash flows are entirely monitored on Group level. Karnov Group's business operations are in general independent of differences in products and channels and the Group therefore monitors the overall net sales distribution trend between online and offline products at Group level.

	North		South		Group functions		Total	
	Q2		Q2		Q2		Q2	
MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Net sales specified on product categories:								
Online	260.9	239.4	260.2	266.8	-	-	521.1	506.2
Offline	13.9	19.4	87.8	82.2	-	-	101.7	101.6
Net sales	**274.8**	**258.8**	**348.0**	**349.0**	**-**	**-**	**622.8**	**607.8**
Adjusted EBITDA	**140.2**	**120.2**	**52.4**	**45.9**	**-21.5**	**-18.6**	**171.1**	**147.5**
Depreciations and amortisations	-20.6	-17.5	-18.8	-20.7	-0.1	-	-39.5	-38.2
Adjusted EBITA	**119.6**	**102.7**	**33.6**	**25.2**	**-21.6**	**-18.6**	**131.6**	**109.3**
Amortisations from acquisitions							-54.0	-51.8
Items affecting comparability							-53.2	-28.6
Operating profit (EBIT)							**24.4**	**28.9**
Share of profit in associated companies							-0.8	-0.8
Net financial items							-24.8	-61.5
Profit before tax							**-1.2**	**-33.4**
Tax on profit for the period							2.0	7.2
Profit for the period							**0.8**	**-26.2**

NOTE 3 SEGMENT REPORTING, CONT.

	North		South		Group functions		Total	
	Jan-Jun		Jan-Jun		Jan-Jun		Jan-Jun	
MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Net sales specified on product categories:	-	-	-	-	-	-	-	-
Online	512.8	465.4	517.2	528.0	-	-	1,030.0	993.4
Offline	55.6	71.1	168.9	157.0	-	-	224.5	228.1
Net sales	**568.4**	**536.5**	**686.1**	**685.0**	**-**	**-**	**1,254.5**	**1,221.5**
Adjusted EBITDA	**286.5**	**257.0**	**107.1**	**100.1**	**-40.2**	**-36.3**	**353.4**	**320.8**
Depreciations and amortisations	-40.0	-33.8	-38.1	-37.3	-0.2	-	-78.3	-71.1
Adjusted EBITA	**246.5**	**223.2**	**69.0**	**62.8**	**-40.4**	**-36.3**	**275.1**	**249.7**
Amortisations from acquisitions	-	-	-	-	-	-	-106.4	-106.3
Items affecting comparability	-	-	-	-	-	-	-89.4	-57.2
Operating profit (EBIT)	**-**	**-**	**-**	**-**	**-**	**-**	**79.3**	**86.2**
Share of profit in associated companies	-	-	-	-	-	-	-2.1	-2.9
Net financial items	-	-	-	-	-	-	-94.4	-94.8
Profit before tax	**-**	**-**	**-**	**-**	**-**	**-**	**-17.2**	**-11.5**
Tax on profit for the period	-	-	-	-	-	-	6.2	3.7
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-11.0**	**-7.8**

NOTE 4 BUSINESS COMBINATIONS AND SIMILAR TRANSACTIONS

QSE CONSEIL SAS

To further consolidate the French EHS market while also accelerating the international expansion, Karnov Group acquired QSE Conseil SAS on 29 April 2024 for a total consideration of SEK 15.9 m. Cash paid on closing 29 April was SEK 7.6 m and SEK 8.3 m is considered as contingent liabilities expected to be paid out in full by the latest in Q3 2025. QSE is expected to contribute by SEK 9.0 m in net sales and SEK 2.7 m in adjusted EBITA on a yearly basis. Identified assets in the transaction was Customer relations to which SEK 5.0 m was allocated. An amount of SEK 8.2 m was allocated to Goodwill. The purchase price allocation is not considered final until 12 months after the acquisition date.

SCHULTZ LEGAL INFORMATION BUSINESS

On 19 June 2024, Karnov Group entered into a business carve out agreement to acquire the legal information business of J.H. Schultz Information A/S for a cash consideration of up to SEK 481 m financed by existing credit lines. Cash paid on closing 19 June was SEK 380.8 m and SEK 100.5 m is considered contingent liabilities expected to be paid out during 2024. The acquisition provides Karnov Group new customers on the Danish municipality market and strengthens Karnov's portfolio of local content to develop best-in-class generative AI solutions for our customers. Karnov Group expects that the acquisition of the legal information business from Schultz contributes with annual net sales corresponding to approximately SEK 83 m and an adjusted EBITA corresponding to approximately SEK 50 m, subject to all acquired customer agreements and/or the economic benefits thereof being successfully transferred or assigned to Karnov Group. The expected cost-to-achieve for the integration is assessed to amount to approximately SEK 25 m. Major assets identified from the purchase price allocation are Customer relations and Content. Allocated amount to Goodwill was SEK 230.2 m. The purchase price allocation is not considered final until 12 months after the acquisition date.

	QSE Conseil SAS	Schultz Legal Information Business
	29 Apr 2024	19 Jun 2024
Purchase price, MSEK		
Cash paid on closing date	7.6	380.8
Contingent liability	8.3	100.5
Total purchase price	**15.9**	**481.3**
Reported amounts, MSEK		
Intangible assets: Customer relations	5.0	227.6
Intangible assets: Content	-	23.5
Fair value of other net assets acquired	3.9	-
Deferred tax	-1.2	-
Total identified net assets	**7.7**	**251.1**
Goodwill	8.2	230.2
Total	**15.9**	**481.3**

TRANSACTIONS AFTER THE END OF THE PERIOD

Karnov Group acquired the minor French business Batir Technologies SAS for a total estimated consideration of SEK 31.0 m. Batir Technologies delivers a market-leading workflow tool for tax calculation in the French real estate market. The acquisition of Batir Technologies is another step on our turn-around to deliver increased customer value and profitable growth in France. The transaction was closed on 16 July 2024.

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS

	Carrying Amount			Fair value		
MSEK	**30 Jun 2024**	**30 Jun 2023**	**31 Dec 2023**	**30 Jun 2024**	**30 Jun 2023**	**31 Dec 2023**
FINANCIAL ASSETS						
Financial assets at amortised cost						
Trade receivables*	364.0	386.4	411.9	364.0	386.4	411.9
Cash and cash equivalents	494.3	455.9	450.6	494.3	455.9	450.6
Total financial assets	**858.3**	**842.3**	**862.5**	**858.3**	**842.3**	**862.5**
FINANCIAL LIABILITIES						
Financial liabilities at fair value through profit or loss (FVPL)						
Contingent considerations	113.9	13.4	7.3	113.9	13.4	7.3
Liabilities at amortised cost						
Trade payables	73.1	129.2	111.3	73.1	129.2	111.3
Borrowing from credit institutions	2,657.4	2,345.4	2,206.2	2,657.4	2,345.4	2,206.2
Total financial liabilities	**2,844.4**	**2,488.0**	**2,324.8**	**2,844.4**	**2,488.0**	**2,324.8**

*Comparison numbers have been adjusted in accordance with IFRS 15 section 12. Adjusted amount in Q2 2023 is 38.5 MSEK impacting Trade receivables.

TRADE RECEIVABLES

Due to the short-term nature of trade receivables, their carrying amount is considered to be the same as their fair value.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are unsecured with a short credit period and are therefore considered to have a fair value equal to the carrying amount. These are classified at level 2 in the fair value hierarchy.

CONTINGENT CONSIDERATION

The carrying amounts of contingent considerations are presented as the fair value. The fair value of the contingent considerations is estimated by calculating the present value of the future expected cash flows. These are classified at level 3 in the fair value hierarchy.

TRADE PAYABLES

Trade payables are unsecured and are usually paid within 30 days of recognition. Due to the short-term nature of trade payables, their carrying amounts are considered to be the same as their fair value.

BORROWING FROM CREDIT INSTITUTIONS

The carrying amount of borrowings is considered to be the same as their fair values, since interest payable on those borrowings is close to current market rates. These are classified at level 2 in the fair value hierarchy.

OTHER

There have been no significant new items compared to December 31, 2023. No transfers between the levels of fair value hierarchies have taken place year-to-date in 2024.

NOTE 6 ALTERNATIVE PERFORMANCE MEASURES

Karnov's financial statements include alternative performance measures, which complement the measures that are defined or specified in applicable rules for financial reporting. Alternative performance measures are presented since, in their context, they provide clearer or more in-depth information than the measures defined in applicable rules for financial reporting. The alternative performance measures are derived from the Group's consolidated financial reporting and are not measured in accordance with IFRS. Karnov's definition of these measures, which are not described under IFRS, is provided in the section Financial Definitions. Reconciliations of the alternative performance measures are presented below.

	North		South		Group functions		Total	
	Q2		Q2		Q2		Q2	
MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Organic business	276.5	245.6	346.9	-	-	-	623.4	245.6
Acquired business	-2.2	2.1	-0.0	349.0	-	-	-2.2	351.1
Currency	0.5	11.1	1.1	-	-	-	1.6	11.1
Net sales	**274.8**	**258.8**	**348.0**	**349.0**	**-**	**-**	**622.8**	**607.8**
Total net sales split, %								
Organic growth, %	6.8%	8.2%	-0.6%	-	-	-	2.6%	8.2%
Acquired business, %	-0.8%	0.9%	-0.0%	100.0%	-	-	-0.4%	154.5%
Currency effect, %	0.2%	4.9%	0.3%	-	-	-	0.3%	4.9%
Total growth, %	**6.2%**	**14.0%**	**-0.3%**	**100.0%**	**-**	**-**	**2.5%**	**167.6%**
EBITDA	**131.2**	**120.2**	**14.3**	**19.1**	**-27.6**	**-20.4**	**117.9**	**118.9**
EBITDA margin, %	47.7%	46.4%	4.1%	5.5%	-	-	18.9%	19.6%
Depreciations and amortisations	-20.6	-17.5	-18.8	-20.7	-0.1	-	-39.5	-38.2
EBITA	**110.6**	**102.7**	**-4.5**	**-1.6**	**-27.7**	**-20.4**	**78.4**	**80.7**
EBITA margin, %	40.2%	39.7%	-1.3%	-0.5%	-	-	12.6%	13.3%
Items affecting comparability	-9.0	-	-38.1	-26.8	-6.1	-1.8	-53.2	-28.6
Adjusted EBITDA	**140.2**	**120.2**	**52.4**	**45.9**	**-21.5**	**-18.6**	**171.1**	**147.5**
Adjusted EBITDA margin, %	51.0%	46.4%	15.1%	13.2%	-	-	27.5%	24.3%
Adjusted EBITA	**119.6**	**102.7**	**33.6**	**25.2**	**-21.6**	**-18.6**	**131.6**	**109.3**
Adjusted EBITA margin, %	43.5%	39.7%	9.7%	7.2%	-	-	21.1%	18.0%
Items affecting comparability								
Acquisition and post-closing integration cost	-	-	-38.1	-26.8	-1.4	-1.8	-39.5	-28.6
Restructuring costs	-9.0	-	-	-	-4.7	-	-13.7	-
Total	**-9.0**	**-**	**-38.1**	**-26.8**	**-6.1**	**-1.8**	**-53.2**	**-28.6**
Items affecting comparability classification								
Operating costs	-9.0	-	-38.1	-26.8	-6.1	-1.8	-53.2	-28.6

NOTE 6 ALTERNATIVE PERFORMANCE MEASURES, CONT.

	North		South		Group functions		Total	
	Jan-Jun		Jan-Jun		Jan-Jun		Jan-Jun	
MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Organic business	570.1	515.2	682.5	-	-	-	1,252.6	515.2
Acquired business	-2.2	3.5	-0.0	685.0	-	-	-2.2	688.5
Currency	0.5	17.8	3.6	-	-	-	4.1	17.8
Net sales	**568.4**	**536.5**	**686.1**	**685.0**	**-**	**-**	**1,254.5**	**1,221.5**
Total net sales split, %	-	-	-	-	-	-	-	-
Organic growth, %	6.3%	6.9%	-0.4%	-	-	-	2.5%	6.9%
Acquired business, %	-0.4%	0.8%	-0.0%	100.0%	-	-	-0.2%	143.0%
Currency effect, %	-0.0%	3.6%	0.6%	-	-	-	0.4%	3.6%
Total growth, %	**5.9%**	**11.3%**	**0.2%**	**100.0%**	**-**	**-**	**2.7%**	**153.5%**
EBITDA	**273.7**	**257.0**	**46.9**	**50.4**	**-56.6**	**-43.8**	**264.0**	**263.6**
EBITDA margin, %	48.2%	47.9%	6.8%	7.4%	-	-	21.0%	21.6%
Depreciations and amortisations	-40.0	-33.8	-38.1	-37.3	-0.2	-	-78.3	-71.1
EBITA	**233.7**	**223.2**	**8.8**	**13.1**	**-56.8**	**-43.8**	**185.7**	**192.5**
EBITA margin, %	41.1%	41.6%	1.3%	1.9%	-	-	14.8%	15.8%
Items affecting comparability	-12.8	-	-60.2	-49.7	-16.4	-7.5	-89.4	-57.2
Adjusted EBITDA	**286.5**	**257.0**	**107.1**	**100.1**	**-40.2**	**-36.3**	**353.4**	**320.8**
Adjusted EBITDA margin, %	50.4%	47.9%	15.6%	14.6%	-	-	28.2%	26.3%
Adjusted EBITA	**246.5**	**223.2**	**69.0**	**62.8**	**-40.4**	**-36.3**	**275.1**	**249.7**
Adjusted EBITA margin, %	43.4%	41.6%	10.1%	9.2%	-	-	21.9%	20.4%
Items affecting comparability								
Acquisition and post-closing integration cost	-	-	-60.2	-49.7	-2.3	-7.5	-62.5	-57.2
Restructuring costs	-12.8	-	-	-	-14.1	-	-26.9	-
Total	**-12.8**	**-**	**-60.2**	**-49.7**	**-16.4**	**-7.5**	**-89.4**	**-57.2**
Items affecting comparability classification	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operating costs	-12.8	-	-60.2	-49.7	-16.4	-7.5	-89.4	-57.2

ADJUSTED FREE CASHFLOW

	Q2		Jan-Jun		Jan-Dec
MSEK	2024	2023	2024	2023	2023
Cash flow from operating activities	17.4	17.4	148.6	184.6	337.0
Acquisition of intangible and tangible assets	-42.1	-40.7	-83.7	-76.3	-163.0
Payment of lease liabilities	-14.6	-19.9	-33.8	-27.4	-63.4
Free cash flow	-39.3	-43.2	31.1	80.9	110.6
Items affecting comparability	53.2	28.6	89.4	57.2	120.4
Adjusted free cash flow	**13.9**	**-14.6**	**120.5**	**138.1**	**231.0**

NET DEBT

MSEK	30 Jun 2024	30 Jun 2023	31 Dec 2023
Borrowing from credit institutions, long term	2,543.8	2,257.0	2,123.0
Borrowing from credit institutions, short term	113.6	88.4	83.2
Cash and cash equivalents	-494.3	-455.9	-450.6
Net debt*	**2,163.1**	**1,889.5**	**1,755.6**

LEVERAGE RATIO

MSEK	30 Jun 2024	30 Jun 2023	31 Dec 2023
Adjusted EBITDA LTM **	719.6	610.2	636.9
Net debt*	2,163.1	1,889.5	1,755.6
Leverage ratio	**3.0**	**3.1**	**2.8**

*The definition of net debt has been aligned with the updated leverage target in which total borrowings exclude lease liabilities. This is impacting previously reported numbers for Q2 2023.

** Please also note that LTM Adjusted EBITDA includes proforma numbers from Schultz acquisition which has an impact on leverage ratio for Q2 2024. See more information regarding acquisition in note 4.

Quarterly overview

MSEK	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Income statement					
Net sales	622.8	631.7	634.2	618.9	607.8
EBITDA	117.9	146.1	126.7	133.5	118.9
EBITDA margin, %	18.9%	23.1%	20.0%	21.6%	19.6%
EBITA	78.4	107.3	86.1	91.4	80.7
EBITA margin, %	12.6%	17.0%	13.6%	14.8%	13.3%
Adjusted EBITA	131.6	143.5	122.0	116.0	109.3
Adjusted EBITA margin, %	21.1%	22.7%	19.2%	18.7%	18.0%
Operating profit (EBIT)	24.4	54.9	34.1	35.9	28.9
EBIT margin, %	3.9%	8.7%	5.4%	5.8%	4.8%
Net financial items	-24.8	-69.6	-9.2	-12.4	-61.5
Profit for the period	0.8	-11.8	23.5	21.2	-26.2
Balance sheet					
Non-current assets	6,468.0	6,082.2	5,956.6	6,220.0	6,407.3
Current assets*	1,020.7	1,149.1	975.9	736.6	966.9
Cash and cash equivalents	494.3	523.7	450.6	326.4	455.9
Equity	2,376.7	2,399.4	2,337.0	2,383.9	2,432.0
Non-current liabilities	3,172.0	2,853.2	2,775.3	2,950.6	3,039.0
Current liabilities*	1,940.0	1,978.7	1,820.2	1,622.1	1,903.2
TOTAL ASSETS	7,488.7	7,231.3	6,932.5	6,956.6	7,374.2

* Comparison numbers have been adjusted in accordance with IFRS 15 section 12. Adjusted amount in Q2 2023 is 38.5 MSEK impacting Trade receivables and Prepaid income.

Quarterly overview, cont.

MSEK	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Cash flow					
Cash flow from operating activities	17.4	131.2	194.8	-42.4	17.4
Cash flow from investing activities	-430.5	-46.0	-43.9	-37.8	-94.9
Cash flow from financing activities	393.7	-20.2	-21.8	-12.4	-278.4
Cash flow for the period	-19.4	65.0	129.1	-92.6	-355.9
Key ratios					
Net working capital	-919.3	-829.5	-844.2	-885.5	-936.3
Equity/asset ratio, % *	31.7%	33.2%	33.7%	34.3%	33.0%
Adjusted free cash flow	13.9	106.6	157.8	-64.9	-14.6
Net debt**	2,163.1	1,769.5	1,755.6	1,958.6	1,889.5
Share data:					
Weighted average number of ordinary shares (thousands)	107,876	107,876	107,876	107,876	107,861
Earnings per share, basic, SEK	0.01	-0.11	0.22	0.20	-0.24
Earnings per share, after dilution, SEK	0.01	-0.11	0.22	0.20	-0.24

*Comparison numbers have been adjusted in accordance with IFRS 15 section 12. Adjusted amount in Q2 2023 is 38.5 MSEK impacting Trade receivables and Prepaid income.

** The definition of net debt has been aligned with the updated leverage target in which total borrowings exclude lease liabilities.

Parent company statement of comprehensive income

	Q2		Jan-Jun		Jan-Dec
MSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Employee benefit expenses	-1.6	-0.4	-3.1	-2.3	-5.3
Depreciations and amortisations	-	-	-0.1	-	-0.1
Other operating income and expenses	-11.6	-4.8	-26.1	-8.2	-15.4
Operating profit (EBIT)	**-13.2**	**-5.2**	**-29.3**	**-10.5**	**-20.8**
Financial income	36.6	10.5	73.1	21.3	185.7
Financial expenses	-15.2	-0.2	-44.3	-0.5	-37.3
Dividend received	-	45.0	-	45.0	45.0
Net financial items	**21.4**	**55.3**	**28.8**	**65.8**	**193.4**
Group contributions	-	-	-	-	42.7
Profit before tax	**8.2**	**50.1**	**-0.5**	**55.3**	**215.3**
Tax on profit for the period	0.1	-	0.1	-1.2	-
Profit for the period	**8.3**	**50.1**	**-0.4**	**54.1**	**215.3**
Total comprehensive income	**8.3**	**50.1**	**-0.4**	**54.1**	**215.3**

Parent company balance sheet

MSEK	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS:			
Receivables from group companies	2,929.3	2,340.0	2,522.5
Investments in group companies	1,164.3	1,159.2	1,161.8
Right-of-use assets	-	0.1	-
Total non-current assets	**4,093.6**	**3,499.3**	**3,684.3**
Receivables from group companies	6.9	75.0	70.0
Prepaid expenses	2.0	-	0.9
Other receivables	0.2	1.7	0.7
Current tax receivables	3.7	2.0	2.3
Cash and cash equivalents	49.3	71.7	16.4
Total current assets	**62.1**	**150.4**	**90.3**
TOTAL ASSETS	**4,155.7**	**3,649.7**	**3,774.6**

Parent company balance sheet, cont.

MSEK	30 Jun 2024	30 Jun 2023	31 Dec 2023
EQUITY AND LIABILITIES:			
Restricted equity			
Share capital	1.7	1.7	1.7
Non-restricted equity			
Share premium	2,654.0	2,654.0	2,654.0
Retained earnings including net profit for the year	43.5	-122.6	41.3
Total equity	**2,699.2**	**2,533.1**	**2,697.0**
Borrowing from group companies	25.9	-	55.4
Borrowing from credit institutions	1,291.3	956.4	899.5
Total non-current liabilities	**1,317.2**	**956.4**	**954.9**
Borrowing from credit institutions	113.6	88.4	83.2
Trade payables	0.9	0.7	1.2
Borrowing from group companies	16.6	66.1	34.1
Accrued expenses	8.2	4.7	4.1
Other current liabilities	-	0.3	0.1
Total current liabilities	**139.3**	**160.2**	**122.7**
TOTAL EQUITY AND LIABILITIES	**4,155.7**	**3,649.7**	**3,774.6**

Financial definitions and alternative performance measures

This interim report contains references to a number of performance measures. Some of these measures are defined in IFRS standards, while others are alternative measures, which are not reported in accordance with applicable financial reporting frameworks or other legislation. These measures are used by Karnov to help both investors and management to analyse the Group's operations. The measures used in this interim report are described below, together with definitions and the reason for their use.

Key ratio	Definition	Reason for use
Acquired growth	Change in net sales during the current period attributable to acquired units, excluding currency effects, in relation to net sales for the corresponding period of the preceding year. Net sales of acquired units are defined as acquired growth during a period of 12 months commencing the respective acquisition date.	The measure is used as a complement to organic growth and provides an improved understanding for Karnov's growth.
Adjusted EBITA	EBITA adjusted for the impact of items affecting comparability.	The measure shows the profitability from the business, adjusted for the impact of items affecting comparability and amortisation of capital expenditures related to acquisitions.
Adjusted EBITA margin	Adjusted EBITA as a percentage of net sales.	The measure shows the underlying profitability generated from the current operations over time, adjusted for items affecting comparability.
Adjusted EBITDA	EBITDA adjusted for the impact of items affecting comparability.	The measure is used since it facilitates the understanding of the operating profit, excluding items affecting comparability, financing, depreciation and amortisation.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales.	The measure shows operational profitability over time, excluding items affecting comparability, financing, depreciation and amortisation.
Adjusted free cash flow	Cash flow from operating activities less capital expenditure and leasing liabilities and adjusted for cash effect of items affecting comparability	The measure is used since it shows how efficiently adjusted cash flow from operating activities is translated into a concrete contribution to Karnov's financing.
Annual run-rate synergies	Realised synergies by the end of the period on an annualised basis.	The definition is used as a complement to disclose future savings from different cost-saving initiatives.
Average number of full-time employees (FTEs)	Average number of full-time employees during the reporting period.	Non-financial key ratio.
Earnings per share	Earnings per share for the period in SEK attributable to the parent company's shareholders, in relation to weighted average number of outstanding shares before and after dilution.	IFRS key ratio.
EBITA	Earnings before financial items and taxes, excluding acquisition related purchase price allocation (PPA) amortisation.	The measure shows the profitability from the business, adjusted for acquisition related purchase price allocation (PPA) amortisation.
EBITA margin	EBITA as a percentage of net sales.	The measure shows the profitability over time for the underlying business (i.e., excluding PPA amortisation) in relation to net sales.
EBITDA	Earnings before depreciation and amortisation, financial items, and taxes.	The measure shows the operating profitability before depreciation and amortisation.
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.

Key ratio	Definition	Reason for use
Items affecting comparability	Items affecting comparability includes items of a significant character that distort comparisons over time.	The measure is used for understanding the financial performance over time.
Leverage ratio (Net debt/adjusted EBITDA LTM excluding leasing liabilities)	Net debt on the balance sheet date divided by adjusted EBITDA for the last twelve months (LTM), excluding leasing liabilities. Adjusted EBITDA LTM is adjusted for items affecting comparability and including proforma consolidation of acquired EBITDA.	Relevant to analyse to ensure that Karnov has an appropriate financing structure.
Net debt	Total net borrowings including capitalised bank costs less cash and cash equivalents.	The measure is used since it allows for an assessment of whether Karnov has an appropriate financing structure.
Net sales (online)	Net sales from online products.	The measure is used since it facilitates the understanding of total net sales and the breakdown of net sales.
Net sales (offline)	Net sales from printed products and training.	The measure is used since it facilitates the understanding of total net sales and the breakdown of net sales.
Operating profit (EBIT)	Profit for the period before financial items and taxes.	The measure is used since it enables comparisons of the profitability regardless of the capital structure or tax situation.
Organic growth	Change in net sales during the current period, excluding acquisitions and currency effects, in relation to net sales for the corresponding period of the preceding year. Acquisitions are included in organic net sales after a period of 12 months.	The measure is used since it shows Karnov's ability to generate growth through increases of, among other things, volume and price in its existing business.

CURRENCY RATES

	Closing rate **30 Jun 2024**	Average rate **Apr-Jun 2024**	Average rate **Jan-Jun 2024**	Closing rate **30 Jun 2023**	Average rate **Apr-Jun 2023**	Average rate **Jan-Jun 2023**	Closing rate **31 Dec 2023**	Average rate **Jan-Dec 2023**
1 DKK is equivalent to SEK	1.5230	1.5412	1.5270	1.5834	1.5381	1.5211	1.4889	1.5395
1 NOK is equivalent to SEK	0.9968	0.9941	0.9910	1.0096	0.9834	1.0022	0.9871	1.0049
1 EUR is equivalent to SEK	11.3595	11.4972	11.3884	11.7917	11.4582	11.3271	11.0960	11.4707

OTHER

Amounts in tables and combined amounts have been rounded off on an individual basis. Minor differences due to this rounding off may, therefore, appear in the totals. Figures commented in the text are presented in million SEK unless otherwise stated. Comparative figures from previous period are presented in brackets. The interim report is published in Swedish and English. In case of any differences between the English version and the Swedish original text, the Swedish version shall prevail.

Karnov Group

Karnov Group clears the path to justice, providing mission critical knowledge and workflow solutions to European professionals in the areas of legal, tax and accounting, and environmental, health and safety. Karnov was founded on one man's belief that access to the law is the foundation of every great society and our legacy dates back to 1823. Over time, the Karnov Group has evolved from a traditional publishing company to a digital legal knowledge provider.

Our mission is to be an indispensable partner for all legal, tax and accounting professionals and enable our users to make better decisions, faster by delivering the highest quality of content within a state-of-the-art user experience to support their workflow efficiency.

Our solutions are largely digital, and we offer subscription-based online solutions for law firms, tax and accounting firms, corporates and the public sector including courts, universities, public authorities and municipalities. Karnov also publishes and sells books and journals and hosts legal training courses.

With strong brands such as Karnov, Norstedts Juridik, Aranzadi LA LEY, Lamy Liaisons, Jusnet, Notisum, Echoline, QSE Conseil, DIBkunnskap, Legal Cross Border, DIB Viden, Ante, BELLA Intelligence, Karnov Group delivers knowledge and insights to more than 400,000 users.

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

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

With offices in Sweden, Denmark, Norway, France, Spain and Portugal, Karnov Group employs around 1,200 people.

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

400,000+
USERS

7,000+
SPECIALISTS

1,200+
EMPLOYEES

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