

Interim report

JANUARY – SEPTEMBER 2024

Q3

2%

ORGANIC GROWTH

22%

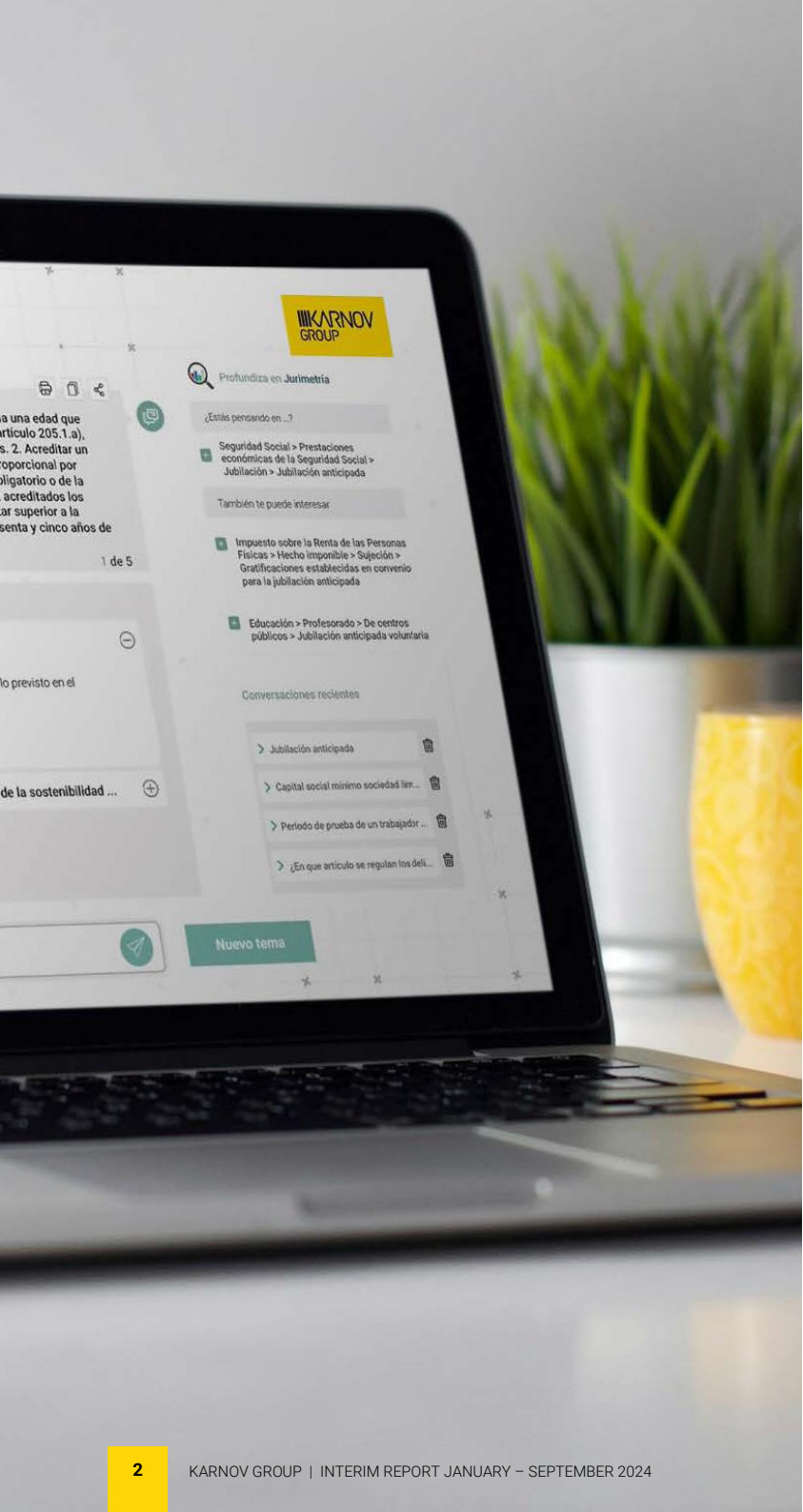
ADJUSTED EBITA MARGIN

3.1x

LEVERAGE

Margin expansion, new AI solutions and launching next phase of the integration

KARNOV
GROUP



Financial highlights

THIRD QUARTER

- ▶ The Group's net sales increased by 4.7% to SEK 648 m (619). Organic growth (constant currency) was 2.4%. Currency effect was -2.4%. Acquired growth was 4.7%.
- ▶ The Group's adjusted EBITA amounted to SEK 143 m (116) with adjusted EBITA margin of 22.1% (18.7).
- ▶ Net result amounted to SEK -12 m (21).
- ▶ Earnings per share before and after dilution amounted to SEK -0.11 (0.20).
- ▶ Adjusted free cash flow amounted to SEK -32 m (-65).

BUSINESS HIGHLIGHTS

- ▶ Our AI legal research assistant has been launched in Region North. The solution is sold in our new top-tier package containing all mission-critical content and generates significant efficiency uplift for customers.
- ▶ The technical carve-out has been completed in Region South, as we accelerate next phase of the integration with focus on profitable growth.
- ▶ Continuous progress with the two cost-efficiency initiatives has generated annual run-rate synergies of EUR 9 m by the end of the third quarter.
- ▶ The adjusted EBITA margin expansion is driven by operational leverage from increased net sales, cost-synergies and product mix contributions.

FIRST NINE MONTHS

- ▶ The Group's net sales increased by 3.4% to SEK 1,902 m (1,840). Organic growth (constant currency) was 2.5%. Currency effect was -0.5%. Acquired growth was 1.4%.
- ▶ The Group's adjusted EBITA amounted to SEK 418 m (366) with adjusted EBITA margin of 22.0% (19.9).
- ▶ Net result amounted to SEK -23 m (13).
- ▶ Earnings per share before and after dilution amounted to SEK -0.22 (0.12).
- ▶ Adjusted free cash flow amounted to SEK 88 m (73).

KEY FINANCIAL RATIOS FOR THE GROUP

MSEK	Q3			Jan-Sep			Jan-Dec
	2024	2023	Δ%	2024	2023	Δ%	2023
Net sales	647.7	618.9	4.7%	1,902.2	1,840.4	3.4%	2,474.6
Organic growth, %	2.4%	0.2%		2.5%	4.5%		4.3%
EBITA	80.0	91.4	-12.4%	265.7	283.9	-6.4%	370.0
EBITA margin, %	12.4%	14.8%		14.0%	15.4%		15.0%
Adjusted EBITA	143.1	116.0	23.5%	418.2	365.7	14.4%	487.7
Adjusted EBITA margin, %	22.1%	18.7%		22.0%	19.9%		19.7%
Profit for the period	-12.3	21.2	158.0%	-23.3	13.4	274.2%	36.9
Adjusted free cash flow	-32.1	-64.9	50.6%	88.4	73.2	20.9%	231.0

Comment by the CEO

Karnov Group delivers strong margins expansion while continuously enhancing customer value with new innovations. The adjusted EBITA margin was 22% which is an improvement of more than three percentage points compared to previous year. We have expanded our mission-critical solutions with our AI legal research assistant, which brings significant efficiency uplift to customers. In parallel, we have completed the technical carve-out in Region South and now launch the next phase of the integration in Spain.

MARGIN IMPROVEMENT ACROSS THE GROUP

The Group's net sales amounted to SEK 648 m in the quarter, a solid increase from the previous year driven by increased online sales in Region North. The growth in Region North is driven by both upselling to existing and recently new added customers. The carved-out legal information business from the Danish company Schultz contributed with net sales of SEK 24 m in the quarter.

Net sales in Region South are stable excluding FX effects. We deliver on our plan to reach synergies in Spain, while strengthening the value proposition in France. The technical carve-out has been completed in Spain. We are now accelerating next phase of the integration with new leadership and increased focus on profitable growth.

The Group's adjusted EBITA margin reached 22% in the third quarter, an improvement of more than 3 percentage points compared to previous year. We focus on our cost-base and deliver on the synergies from our two initiatives, reaching annual run-rate synergies of EUR 9 m by the end of the third quarter.

Leverage was 3.1x adjusted EBITDA LTM, an increase driven by the FX effects mentioned above.

200 YEARS OF EXPERTISE NOW MERGED WITH AI

At the end of the quarter, we launched our AI legal research assistant in Region North. The solution offers complete transparency about the sources used to reach conclusions including a reference list for validation. Sales is progressing on all markets and feedback from our customers confirms that the solution brings significant value and efficiency uplifts.

25 years ago, we transitioned our customers from books and libraries to databases. Now, we enable our customers to interact with 200 years of mission-critical knowledge through our AI legal research assistant.

The launch of the AI assistant has been prepared with a thorough due diligence where we thoroughly have tested packaging, pricing and simulated penetration. The solution is sold exclusively in a new top-tier package containing all mission-critical knowledge in Region North, while being sold as an add-on in Region South, in line with local market practices.

Our AI assistant enables us to help our customers to become significantly more efficient. Moreover, it enables us to launch a better price model and deliver solid returns from the investments for all stakeholders.

DELIVERING ON OUR EFFICIENCY INITIATIVES

We continue to progress with the Region South integration as well as harvesting synergies. Synergies are coming through as expected. By the end of the third quarter, the annual run-rate synergies from the Region South integration amounted to EUR 5 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.

In parallel, our Group-wide Acceleration Initiative progresses according to plan. We have divested our holdings in Ante, LCB and Procurementlink, which has generated additional run-rate synergies, while having a negative impact on the earnings this quarter. By the end of the third quarter, the annual run-rate synergies from the Acceleration Initiative amounted to EUR 4 m. As communicated before, our ambition is to generate synergies of EUR 10 m on annual run-rate basis by the end of 2026.

In total, our progress with the two cost-efficiency initiatives has generated annual run-rate synergies of EUR 9 m by the end of the third quarter.

WE INVEST, CREATE NEW SOLUTIONS AND BUILD FOR THE FUTURE

Karnov Group delivers strong margins expansion while continuously enhancing customer value with new innovations. Our industry is transforming, with AI bringing new opportunities. We lead the way with our AI legal research assistant transforming the path to justice.

|| We have expanded our mission-critical solutions with our AI legal research assistant, which brings significant efficiency uplift to customers. In parallel, we have completed the technical carve-out in Region South and now launch the next phase of the integration in Spain.



Pontus Bodelsson,
President and CEO

2%

ORGANIC GROWTH Q3

"A solid increase from the previous year driven by increased online sales in Region North."

22%

ADJUSTED EBITA MARGIN Q3

"An improvement of more than 3 percentage points compared to previous year."

3.1x

LEVERAGE Q3

"Leverage was 3.1x adjusted EBITDA LTM, an increase driven by FX effects."

Group financial performance

Third quarter

MSEK	Q3			Jan-Sep			Jan-Dec
	2024	2023	Δ%	2024	2023	Δ%	2023
Net sales	647.7	618.9	4.7%	1,902.2	1,840.4	3.4%	2,474.6
Organic growth, %	2.4%	0.2%		2.5%	4.5%		4.3%
EBITA	80.0	91.4	-12.4%	265.7	283.9	-6.4%	370.0
EBITA margin, %	12.4%	14.8%		14.0%	15.4%		15.0%
Adjusted EBITA	143.1	116.0	23.5%	418.2	365.7	14.4%	487.7
Adjusted EBITA margin, %	22.1%	18.7%		22.0%	19.9%		19.7%
EBIT	23.1	35.9	-35.6%	102.4	122.1	-16.2%	156.2
EBIT margin, %	3.6%	5.8%		5.4%	6.6%		6.3%

NET SALES AND GROWTH

For the quarter, July-September 2024, net sales increased by SEK 29 m to SEK 648 m (619). Organic growth on a constant currency basis was 2.4 percent and currency effects had a negative impact on net sales of -2.4 percent. Acquired growth contributed with 4.7 percent. Online sales amounted to 85 percent in the quarter (84).

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. During the quarter, we have acquired new customers from the carved-out Schultz business in Denmark, which contributed with net sales of SEK 24 m in the quarter.

The business areas EHS and T&A continue to perform well.

For the first nine months, January-September 2024, net sales increased by SEK 62 to SEK 1,902 m (1,840). Organic growth on a constant currency basis was 2.5 percent and currency effects had a negative impact on net sales of -0.5 percent. Acquired growth contributed with 1.4 percent.

OPERATING PROFIT (EBIT)

EBITA for the quarter amounted to SEK 80 m (91) and EBITA margin amounted to 12.4 percent (14.8). The EBITA performance includes items affecting comparability of SEK 63 m (27) relating to integration work in Region South and the Acceleration Initiative.

Adjusted EBITA amounted to SEK 143 m (116) and adjusted EBITA margin amounted to 22.1 percent (18.7).

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.

The carved-out Schultz business in Denmark contributed with SEK 6 m in adjusted EBITA.

Operating profit (EBIT) was SEK 23 m (36) for the quarter, a decline due to the increased items affecting comparability.

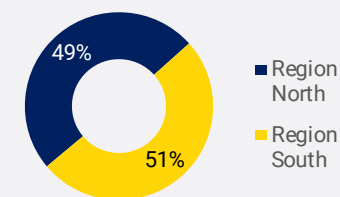
For the first nine months, EBITA amounted to SEK 266 m (284) and the EBITA margin amounted to 14.0 percent (15.4). Adjusted EBITA amounted to SEK 418 m (366) and the adjusted EBITA margin amounted to 22.0 percent (19.9). Operating profit (EBIT) amounted to SEK 102 m (122) for the first nine months.

SYNERGIES FROM THE ACCELERATION INITIATIVE

The realised synergies in the third quarter amounted to EUR 0.8 m. The annual run-rate cost synergies by the end of the third quarter amounted to EUR 4.4 m. Cost-to-achieve amounted to EUR 0.0 m in the third quarter.

MEUR	Q3		Jan-Sep	
	2024	2023	2024	2023
Realised synergies	0.8	-	1.9	-
Annual run-rate synergies	4.4	-	4.4	-
Cost to achieve	0.0	-	1.7	-

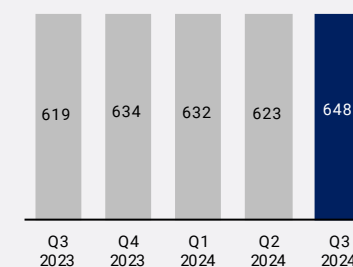
NET SALES BY SEGMENT Q3 (%)



2%

ORGANIC GROWTH

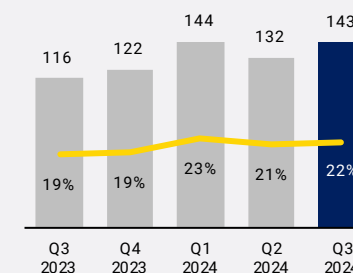
NET SALES PER QUARTER, MSEK



22%

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 0 m (-1) in the quarter and SEK -2 m (-4) for the first nine months.

NET FINANCIAL ITEMS

Net financial items for the quarter amounted to SEK -38 m (-12). The interest expenses were approximately SEK 11 m higher than in the same quarter last year. The quarter was impacted by currency adjustments of SEK 3 m (17) relating to long-term loans in EUR.

Net financial items for the first nine months amounted to SEK -132 m (-107).

PROFIT BEFORE AND AFTER TAX, EARNINGS PER SHARE

Profit before tax for the quarter decreased by SEK 38 m to SEK -15 m (23). Profit after tax for the quarter was SEK -12 m (21). Taxes amounted to SEK 2 m (-1). Earnings per share after dilution was SEK -0.11 (0.20) for the quarter.

For the first nine months, profit before tax amounted to SEK -32 m (11) and profit after tax amounted to SEK -23 m (13). Earnings per share after dilution was SEK -0.22 (0.12) for the first nine months.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities amounted to SEK -42 m (-42). The changes in working capital were stable and in line with previous year, while higher interest paid was off set with timing in taxes paid.

Adjusted free cash flow for the quarter improved to SEK -32 m (-65), driven by significantly higher items affecting comparability.

Total investments for the quarter amounted to SEK -70 m (-38). The investments during the quarter relate to capitalised development as well as business acquisitions.

Total financing for the quarter amounted to SEK -15 m (-12), entirely related to payment of leasing liabilities.

Cash flow from operating activities for the first nine months amounted to SEK 106 m (142). The decline is mainly explained by taxes paid as well as increased financial expenses.

ADJUSTED FREE CASH FLOW

MSEK	Q3		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Cash flow from operating activities	-42.4	-42.4	106.2	142.2	337.0
Acquisition of intangible and tangible assets	-37.5	-39.0	-121.2	-115.3	-163.0
Payment of lease liabilities	-15.3	-10.8	-49.1	-38.2	-63.4
Free cash flow	-95.2	-92.2	-64.1	-11.3	110.6
Items affecting comparability	63.1	27.3	152.5	84.5	120.4
Adjusted free cash flow	-32.1	-64.9	88.4	73.2	231.0

FINANCIAL POSITION

Net debt was SEK 2,271 m at the end of the period. The net debt has increased by SEK 515 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 3.1 (3.2) times.

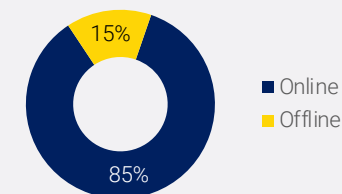
Cash and cash equivalents at the end of the period amounted to SEK 371 m (326) and the Group had at the end of September 2024 unutilized credit lines of EUR 28 m.

NET DEBT

MSEK	30 Sep 2024	30 Sep 2023	31 Dec 2023
Total borrowings	2,641.3	2,285.0	2,206.2
Cash and cash equivalents	370.7	326.4	450.6
Net debt	2,270.6	1,958.6	1,755.6
Leverage ratio *	3.1	3.2	2.8

* Please note that LTM Adjusted EBITDA includes proforma numbers from Schultz acquisition which has an impact on leverage ratio for Q3 2024. See more information regarding acquisitions in note 4.

NET SALES SPLIT ONLINE/OFFLINE PER Q3, %



SEK -32 m

ADJUSTED FREE CASH FLOW

3.1

LEVERAGE

Segment performance

Region North

MSEK	Q3			Jan-Sep			Jan-Dec
	2024	2023	Δ%	2024	2023	Δ%	2023
Net sales	320.5	278.8	15.0%	888.9	815.3	9.0%	1,085.8
Organic growth, %	7.3%	0.2%		6.6%	4.5%		4.4%
Adjusted EBITDA	163.2	132.3	23.3%	449.7	389.3	15.5%	511.3
Adjusted EBITDA margin, %	50.9%	47.5%		50.6%	47.7%		47.1%
Adjusted EBITA	141.4	115.3	22.6%	387.9	338.5	14.6%	441.5
Adjusted EBITA margin, %	44.1%	41.4%		43.6%	41.5%		40.7%

NET SALES AND GROWTH

Net sales for the quarter increased by 15.0 percent to SEK 321 m (279). Organic growth was 7.3 percent while currency effects had a negative impact of -2.1 percent. Acquired growth contributed with 9.8 percent. Online sales accounted for 90 percent (88) in the quarter.

Organic 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.

At the end of the quarter, our AI legal assistant were launched in Denmark and Sweden. Customer feedback has been positive, both in terms of simplifying work tasks as well as making workflow more efficient. The AI legal assistant is included in our new top-tier package which was launched along with the new product.

During the quarter, Karnov has progressed with the integration of the carved-out Schultz legal information business. Through the acquisition, Karnov has acquired new customers on the Danish municipality market.

During the quarter, the Schultz business provided net sales of SEK 24 m and an adjusted EBITA of SEK 6 m.

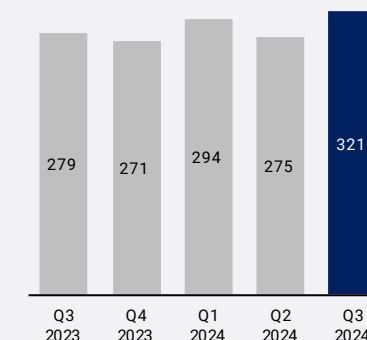
For the first nine months, net sales amounted to SEK 889 m (815). Organic growth on a constant currency basis was 6.6 percent and currency effects had a negative impact on net sales of -0.7 percent. Acquired growth contributed with 3.1 percent.

ADJUSTED EBITA

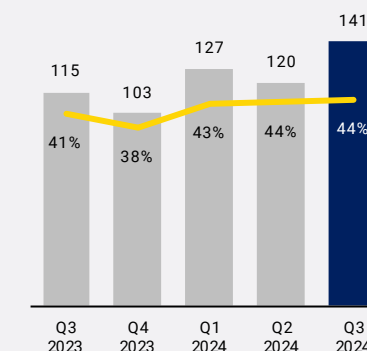
In the third quarter, adjusted EBITA amounted to SEK 141 m (115) and adjusted EBITA margin amounted to 44.1 percent (41.4). The margin increase is due to cost-savings from the Group wide Acceleration Initiative, as well as product mix coming from a higher portion of online sales.

For the first nine months, adjusted EBITA amounted to SEK 388 m (339) and the adjusted EBITA margin amounted to 43.6 percent (41.5).

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	Q3			Jan-Sep			Jan-Dec
	2024	2023	Δ%	2024	2023	Δ%	2023
Net sales	327.2	340.1	-3.8%	1,013.3	1,025.1	-1.2%	1,388.8
Organic growth, %	-1.6%	-		-0.8%	-		3.8%
Adjusted EBITDA	45.5	41.6	9.7%	152.6	141.7	7.8%	208.4
Adjusted EBITDA margin, %	13.9%	12.2%		15.1%	13.8%		15.0%
Adjusted EBITA	24.7	21.2	17.2%	93.7	84.0	11.7%	129.1
Adjusted EBITA margin, %	7.5%	6.2%		9.2%	8.2%		9.3%

NET SALES AND GROWTH

Net sales for the quarter were SEK 327 m (340). The organic growth was -1.6 percent while currency effects had a negative impact of -2.7 percent. Acquired growth contributed with 0.5 percent. Online sales accounted for 81 percent in the quarter (80).

Reported net sales were stable adjusted for the negative currency effects. Our French business delivered organic growth in the quarter, offset by the organic performance in Spain due to product rationalisation and optimised sales organisation.

Alexandra Åquist has been appointed Country Manager in Spain as part of the next phase of the integration, with the assignment of generating profitable growth in Spain. We will launch updated products in Spain during the autumn with AI features. In France, we have launched our three new flagship products with AI features.

For the first nine months, net sales amounted to SEK 1,013 m (1,025). Organic growth on a constant currency basis was -0.8 percent and currency effects had a negative impact on net sales of -0.6 percent. Acquired growth contributed with 0.2 percent.

ADJUSTED EBITA

In the third quarter, adjusted EBITA amounted to SEK 25 m (21) and adjusted EBITA margin was 7.5 percent (6.2).

The margin improvement is mainly due to cost synergies from the integration coming through according to plan.

For the first nine months, the adjusted EBITA amounted to SEK 94 m (84) and the adjusted EBITA margin amounted to 9.2 percent (8.2).

SYNERGIES IN REGION SOUTH

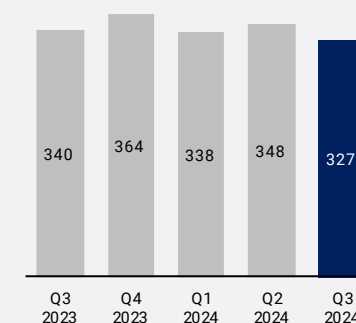
In the third quarter, realised cost synergies amounted to EUR 1.1 m (0.3). The annual run-rate cost synergies by the end of the third quarter amounted to EUR 4.9 m (1.0). Cost-to-achieve amounted to EUR 1.9 m in the third quarter.

For the first nine months, the realised cost synergies amounted to EUR 3.0 m (0.7). Cost-to-achieve amounted to EUR 4.9 m for the first nine months.

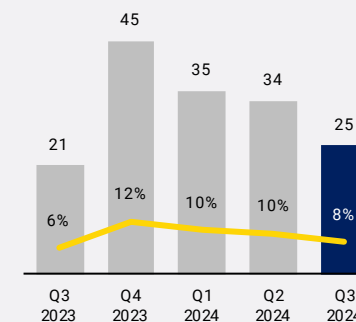
The total cost-to-achieve, by 2026, is estimated to EUR 24 m.

MEUR	Q3		Jan-Sep	Jan-Dec
	2024	2023	2024	2023
Realised synergies	1.1	0.3	3.0	0.7
Annual run-rate synergies	4.9	1.0	4.9	2.0
Cost to achieve	1.9	1.6	6.9	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

MSEK	Q3			Jan-Sep			Jan-Dec
	2024	2023	Δ%	2024	2023	Δ%	2023
Adjusted EBITA	-23.0	-20.5	12.2%	-63.4	-56.8	11.5%	-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 third quarter amounted to 1,198 (1,244). The decrease is due to harvesting of cost-synergies in Region South. On average during the third quarter, 59% (58) of the workforce were women and 41% (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 September 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 September 2024, the Company had 1,822 known shareholders. The five largest shareholders in Karnov Group AB (publ) were Long Path Partners, Invesco, Swedbank Robur Funds, Greenoaks Capital and Anabranck 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 third 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

Third quarter

- 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.

Events after the end of the period

- Karnov Group acquired three carved-out expert journals In France. The acquisition is another step to deliver increased customer value and profitable growth. The transaction was closed on 9 October 2024.
- The Nomination Committee for the 2025 Annual General Meeting (AGM) was appointed.

PARENT COMPANY

The operating profit (EBIT) for the quarter amounted to SEK -17 m (1).

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 interim report has been subject to a review by the Company's auditors. See report on page 11.

DISCLOSURE

This interim report contains inside information that Karnov Group AB (publ) is required to make public pursuant to the EU Market Abuse Regulation (MAR). The information was submitted for publication by the contact person below on 6 November 2024 at 07.45 AM CET.

Karnov Group AB (publ)

Stockholm, 6 November 2024

Pontus Bodelsson
President and CEO

FOR FURTHER INFORMATION, PLEASE CONTACT:

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FINANCIAL CALENDAR 2024

Interim report January-December 2024	18 February 2025
Annual Report 2024	31 March 2025
Interim report January-March 2025	14 May 2025
Annual General Meeting 2025	15 May 2025
Interim report January-June 2025	21 August 2025
Interim report January-September 2025	12 November 2025

Q3 PRESENTATION WEBCAST

Karnov Group will present the third quarter for analysts and investors via a webcast teleconference on 6 November at 9:00 AM CET.

To participate, use the following link:

<https://ir.financialhearings.com/karnov-group-q3-report-2024> or register here for dial-in numbers:
<https://conference.financialhearings.com/teleconference/?id=50048831>.

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

Auditors report

(Translation from Swedish original. In case of discrepancies, the Swedish version shall prevail.)

Karnov Group AB (publ) corp. identity no. 559016-9016

Introduction

We have reviewed the condensed interim financial information (interim report) of Karnov Group AB (publ) as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 6 November 2024
Öhrlings PricewaterhouseCoopers AB

Martin Johansson
Authorized Public Accountant
Auditor in charge

Patrik Larsson
Authorized Public Accountant

Consolidated statement of comprehensive income

MSEK	Note	Q3		Jan-Sep		Jan-Dec
		2024	2023	2024	2023	2023
Net sales	3	647.7	618.9	1,902.2	1,840.4	2,474.6
Total revenue		647.7	618.9	1,902.2	1,840.4	2,474.6
Costs of goods sold		-80.7	-89.8	-254.9	-274.0	-365.3
Employee benefit expenses		-286.3	-284.7	-853.7	-814.7	-1,131.1
Depreciations and amortisations		-99.6	-97.6	-284.3	-275.0	-367.8
Other operating income and expenses		-158.0	-110.9	-406.9	-354.6	-454.2
Operating profit (EBIT)		23.1	35.9	102.4	122.1	156.2
Share of profit in associated companies		-	-1.0	-2.1	-3.9	-5.4
Financial income		1.0	8.2	4.7	11.7	35.5
Financial expenses		-38.6	-20.6	-136.7	-118.9	-151.9
Profit before tax		-14.5	22.5	-31.7	11.0	34.4
Tax on profit for the period		2.2	-1.3	8.4	2.4	2.5
Profit for the period		-12.3	21.2	-23.3	13.4	36.9
Other comprehensive income:						
Items that may be reclassified to the income statement:						
Exchange differences on translation of foreign operations		-20.4	-63.6	27.7	48.4	-26.6
Actuarial gains/losses on defined benefit plans		-	-	-	-	2.0
Other comprehensive income for the period		-20.4	-63.6	27.7	48.4	-24.6
Total comprehensive income for the period		-32.7	-42.4	4.4	61.8	12.3
Profit for the period is attributable to:						
Owners of Karnov Group AB (publ)		-12.3	21.0	-23.3	13.2	38.2
Non-controlling interests		-	0.2	-	0.2	-1.3
Profit for the period		-12.3	21.2	-23.3	13.4	36.9
Total comprehensive income for the period is attributable to:						
Owners of Karnov Group AB (publ)		-32.7	-42.6	4.4	61.6	13.6
Non-controlling interests		-	0.2	-	0.2	-1.3
Total comprehensive income		-32.7	-42.4	4.4	61.8	12.3
Earnings per share, basic, SEK		-0.11	0.20	-0.22	0.12	0.34
Earnings per share, after dilution, SEK		-0.11	0.20	-0.22	0.12	0.34
Weighted average number of ordinary shares (thousands)		107,876	107,876	107,876	107,876	107,862
Effect of performance shares (thousands)		226	226	226	226	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 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS:				
Goodwill		3,534.9	3,338.7	3,251.1
Other intangible assets		2,393.7	2,324.2	2,233.1
Right-of-use assets		177.9	237.2	201.1
Property, plant and equipment		37.4	43.9	41.2
Investments in associated companies		34.8	50.7	48.8
Other financial investments		13.0	13.0	13.0
Loans to associated companies		25.4	25.8	25.2
Deposits		12.5	9.5	7.7
Deferred tax assets		136.5	177.0	135.4
Total non-current assets		6,366.1	6,220.0	5,956.6
Inventories		20.4	19.1	18.7
Trade receivables	5	316.9	313.5	411.9
Prepaid expenses		74.6	56.7	57.5
Other receivables		92.8	20.7	10.6
Current tax receivables		33.0	0.2	26.6
Cash and cash equivalents	5	370.7	326.4	450.6
Total current assets		908.4	736.6	975.9
TOTAL ASSETS		7,274.5	6,956.6	6,932.5

Consolidated balance sheet, cont.

MSEK	Note	30 Sep 2024	30 Sep 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		0.0	0.0	0.0
Reserves		-225.7	-178.4	-253.4
Retained earnings including net profit for the period		-83.8	-93.3	-65.3
Equity attributable to the parent company's shareholders		2,346.2	2,384.0	2,337.0
Non-controlling interests		-	-0.1	-
Total equity		2,346.2	2,383.9	2,337.0
Borrowing from credit institutions	5	2,528.3	2,198.8	2,123.0
Lease liabilities		156.2	214.0	179.1
Deferred tax liabilities		325.9	395.5	342.3
Provisions		80.9	68.0	78.4
Other non-current liabilities		40.4	74.3	52.5
Total non-current liabilities		3,131.7	2,950.6	2,775.3
Borrowing from credit institutions	5	113.0	86.2	83.2
Trade payables	5	59.5	86.9	111.3
Current tax liabilities		0.0	22.9	30.0
Accrued expenses		524.5	487.6	479.5
Prepaid income		873.3	825.3	921.7
Lease liabilities		45.4	62.3	52.9
Other current liabilities	5	180.9	50.9	141.6
Total current liabilities		1,796.6	1,622.1	1,820.2
TOTAL EQUITY AND LIABILITIES		7,274.5	6,956.6	6,932.5

Consolidated statement of changes in equity

Equity attributable to the parent company's shareholders

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 2024	1.7	2,654.0	0.0	-253.4	-65.3	2,337.0	-	2,337.0
Profit for the period	-	-	-	-	-23.3	-23.3	-	-23.3
Other comprehensive income for the period	-	-	-	27.7	-	27.7	-	27.7
Total comprehensive income/loss	-	-	-	27.7	-23.3	4.4	-	4.4
Transaction with shareholders in their capacity as owners:								
Sharebased payment	-	-	-	-	4.8	4.8	-	4.8
Total transaction with shareholders	-	-	-	-	4.8	4.8	-	4.8
Closing balance at 30 September 2024	1.7	2,654.0	0.0	-225.7	-83.8	2,346.2	-	2,346.2

Equity attributable to the parent company's shareholders

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	-109.0	2,319.9	6.5	2,326.4
Profit for the period	-	-	-	-	13.2	13.2	0.2	13.4
Other comprehensive income for the period	-	-	-	48.4	-	48.4	-	48.4
Total comprehensive income/loss	-	-	-	48.4	13.2	61.6	0.2	61.8
Transaction with shareholders in their capacity as owners:								
Sharebased payment	-	-	-	-	2.5	2.5	-	2.5
Divestment	-	-	-	-	-	-	-6.8	-6.8
Total transaction with shareholders	-	-	-	-	2.5	2.5	-6.8	-4.3
Closing balance at 30 September 2023	1.7	2,654.0	0.0	-178.4	-93.3	2,384.0	-0.1	2,383.9

Consolidated statement of cash flows

MSEK	Q3		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Operating profit (EBIT)	23.1	35.9	102.4	122.1	156.2
Non-cash items	126.3	122.4	315.7	300.8	367.9
Effect of changes in working capital:					
Change in inventories	-	1.5	-1.5	1.6	1.8
Change in receivables	-18.3	53.4	12.2	72.0	-19.5
Change in trade payables and other payables	61.0	-5.1	-90.4	-128.4	-2.1
Provisions paid	-	-	-	-3.2	-1.4
Change in prepaid income	-193.3	-198.0	-70.9	-87.8	23.7
Net effect of changes in working capital	-150.6	-148.2	-150.6	-145.8	2.5
Net financial items, paid	-42.3	-31.3	-110.0	-94.0	-128.0
Corporate tax paid	1.1	-21.2	-51.3	-40.9	-61.6
Cash flow from operating activities	-42.4	-42.4	106.2	142.2	337.0
Business combinations	-31.3	4.2	-419.3	-58.7	-54.9
Other financial investments	-1.0	-3.0	-5.8	-3.0	-3.0
Acquisition of intangible assets	-36.6	-38.2	-119.1	-107.3	-155.8
Acquisition of property, plant and equipment	-0.9	-0.8	-2.1	-8.0	-7.2
Cash flow from investing activities	-69.8	-37.8	-546.3	-177.0	-220.9
Repayment long-term debt	-	-	-83.2	-2,587.9	-2,587.9
Proceeds long-term debt	-	-0.9	491.4	2,330.6	2,330.6
Payment of lease liabilities	-15.3	-10.8	-49.1	-38.2	-63.4
Change in long-term receivables	-	-0.7	-	-3.3	0.1
Payment of contingent considerations	-	-	-0.9	-17.1	-17.1
Cash flow from financing activities	-15.3	-12.4	358.2	-315.9	-337.7
Cash flow for the period	-127.5	-92.6	-81.9	-350.7	-221.6
Cash and cash equivalents at the beginning of the period	494.3	455.9	450.6	671.2	671.2
Exchange-rate differences in cash and cash equivalents	3.9	-36.9	2.0	5.9	1.0
Cash and cash equivalents at the end of the period	370.7	326.4	370.7	326.4	450.6

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.

MSEK	North		South		Group functions		Total	
	Q3		Q3		Q3		Q3	
	2024	2023	2024	2023	2024	2023	2024	2023
Net sales specified on product categories:								
Online	289.6	246.2	263.7	272.8	-	-	553.3	519.0
Offline	30.9	32.6	63.5	67.3	-	-	94.4	99.9
Net sales	320.5	278.8	327.2	340.1	-	-	647.7	618.9
Adjusted EBITDA	163.2	132.3	45.5	41.6	-22.9	-20.4	185.8	153.5
Depreciations and amortisations	-21.8	-17.0	-20.8	-20.4	-0.1	-0.1	-42.7	-37.5
Adjusted EBITA	141.4	115.3	24.7	21.2	-23.0	-20.5	143.1	116.0
Amortisations from acquisitions							-56.9	-52.8
Items affecting comparability							-63.1	-27.3
Operating profit (EBIT)							23.1	35.9
Share of profit in associated companies							-	-1.0
Net financial items							-37.6	-12.4
Profit before tax							-14.5	22.5
Tax on profit for the period							2.2	-1.3
Profit for the period							-12.3	21.2

NOTE 3

SEGMENT REPORTING, CONT.

	North		South		Group functions		Total	
	Jan-Sep		Jan-Sep		Jan-Sep		Jan-Sep	
	2024	2023	2024	2023	2024	2023	2024	2023
MSEK								
Net sales specified on product categories:	-	-	-	-	-	-	-	-
Online	802.4	711.6	780.9	800.8	-	-	1,583.3	1,512.4
Offline	86.5	103.7	232.4	224.3	-	-	318.9	328.0
Net sales	888.9	815.3	1,013.3	1,025.1	-	-	1,902.2	1,840.4
Adjusted EBITDA	449.7	389.3	152.6	141.7	-63.1	-56.7	539.2	474.3
Depreciations and amortisations	-61.8	-50.8	-58.9	-57.7	-0.3	-0.1	-121.0	-108.6
Adjusted EBITA	387.9	338.5	93.7	84.0	-63.4	-56.8	418.2	365.7
Amortisations from acquisitions	-	-	-	-	-	-	-163.3	-159.1
Items affecting comparability	-	-	-	-	-	-	-152.5	-84.5
Operating profit (EBIT)	-	-	-	-	-	-	102.4	122.1
Share of profit in associated companies	-	-	-	-	-	-	-2.1	-3.9
Net financial items	-	-	-	-	-	-	-132.0	-107.2
Profit before tax	-	-	-	-	-	-	-31.7	11.0
Tax on profit for the period	-	-	-	-	-	-	8.4	2.4
Profit for the period	-	-	-	-	-	-	-23.3	13.4

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.

BATIR TECHNOLOGIES SAS

Karnov Group acquired the minor French business Batir Technologies SAS on 16 July for a total estimated consideration of SEK 31.0 m. Cash paid on closing was SEK 29.2 m and SEK 1.8 m is considered as contingent liabilities expected to be paid out in full by the latest in Q3 2025. 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. Batir Technologies is expected to contribute by SEK 9.3 m in net sales and SEK 4.3 m in adjusted EBITA on a yearly basis. Identified assets in the transaction was Customer relations to which SEK 10.9 m was allocated but also Technology by SEK 2.8 m and Trademarks by SEK 0.6 m. Allocation to Goodwill amounts to SEK 20.3 m. The purchase price allocation is not considered final until 12 months after the acquisition date.

	QSE Conseil SAS	Schultz Legal Information Business	Batir Technologies SAS
	29 Apr 2024	19 Jun 2024	16 Jul 2024
Purchase price, MSEK			
Cash paid on closing date	7.6	380.8	29.2
Contingent liability	8.3	100.5	1.8
Total purchase price	15.9	481.3	31.0
Reported amounts, MSEK			
Intangible assets: Customer relations	5.0	227.6	10.9
Intangible assets: Technology	-	-	2.8
Intangible assets: Content	-	23.5	-
Intangible assets: Trademarks	-	-	0.6
Fair value of other net assets acquired	3.9	-	-
Deferred tax	-1.2	-	-3.6
Total identified net assets	7.7	251.1	10.7
Goodwill	8.2	230.2	20.3
Total	15.9	481.3	31.0

DISCONTINUED BUSINESS**ANTE**

Karnov Group exited its 55.1% shareholding of Ante ApS per 25 July 2024 for a cash consideration of SEK 1. The derecognition of the fully consolidated balance sheet of Ante ApS has reduced Goodwill by SEK 13.2 m, Other intangible assets by SEK 7.1 m and other net assets by SEK 12.2 m. A loss from the transaction of SEK 8.3 m has been recognized in other operating income and expenses. YTD 2024 impact on the income statement (EBIT) from operations totals SEK -1.0 m. A potential earn out will be entitled to Karnov Group in FY 2028 contingent on the financial outcome in FY 2027. Maximum amount for earn out totals SEK 1.2 m.

LCB

Karnov Group exited its 85.9% shareholding of LCB ApS per 31 July 2024 for a cash consideration of SEK 1. The derecognition of the fully consolidated balance sheet of LCB has reduced other net assets by SEK 2.4 m. A loss from the transaction of SEK 2.6 m has been recognized in other operating income and expenses. YTD 2024 impact on the income statement (EBIT) from operations totals SEK -0.4 m.

PROCUREMENTLINK

Karnov Group exited its 49.0% shareholding of ProcurementLink ApS per 5 July 2024 for a cash consideration of SEK 1. The derecognition of ProcurementLink has reduced the consolidated balance sheet on row Investments in associated companies by SEK 12.4 m. A loss from the transaction of SEK 12.4 m has been recognized in other operating income and expenses. Karnov Group has not consolidated any share of profit or loss of ProcurementLink during the period of ownership.

TRANSACTIONS AFTER THE END OF THE PERIOD

Karnov Group has on October 9th 2024 completed the acquisition of three carved-out expert journals in France. This acquisition will complete the Lamy Liaisons SAS portfolio with the objective to enrich both the editorial offer and legal tech solutions to better meet the needs of our customers. Total consideration amounts to SEK 9.0 m.

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS

MSEK	Carrying Amount			Fair value		
	30 Sep 2024	30 Sep 2023	31 Dec 2023	30 Sep 2024	30 Sep 2023	31 Dec 2023
FINANCIAL ASSETS						
Financial assets at amortised cost						
Trade receivables	316.9	313.5	411.9	316.9	313.5	411.9
Cash and cash equivalents	370.7	326.4	450.6	370.7	326.4	450.6
Total financial assets	687.6	639.9	862.5	687.6	639.9	862.5
FINANCIAL LIABILITIES						
Financial liabilities at fair value through profit or loss (FVPL)						
Contingent considerations	115.1	6.7	7.3	115.1	6.7	7.3
Liabilities at amortised cost						
Trade payables	59.5	86.9	111.3	59.5	86.9	111.3
Borrowing from credit institutions	2,641.3	2,285.0	2,206.2	2,641.3	2,285.0	2,206.2
Total financial liabilities	2,815.9	2,378.6	2,324.8	2,815.9	2,378.6	2,324.8

TRADE RECEIVABLES

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

CASH AND CASH EQUIVALENTS

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

CONTINGENT CONSIDERATION

The carrying amounts of contingent considerations are presented as the fair value. The fair value of the contingent considerations is estimated by calculating the present value of the future expected cash flows. 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	
	Q3		Q3		Q3		Q3	
MSEK	2024	2023	2024	2023	2024	2023	2024	2023
Organic business	299.1	263.8	334.8	-	-	-	633.9	263.8
Acquired business	27.2	1.5	1.6	340.1	-	-	28.8	341.6
Currency	-5.8	13.5	-9.2	-	-	-	-15.0	13.5
Net sales	320.5	278.8	327.2	340.1	-	-	647.7	618.9
Total net sales split, %								
Organic growth, %	7.3%	0.2%	-1.6%	-	-	-	2.4%	0.2%
Acquired business, %	9.8%	0.5%	0.5%	100.0%	-	-	4.7%	129.7%
Currency effect, %	-2.1%	5.2%	-2.7%	-	-	-	-2.4%	5.2%
Total growth, %	15.0%	5.9%	-3.8%	100.0%	-	-	4.7%	135.1%
EBITDA	139.2	136.5	14.0	22.9	-30.5	-25.9	122.7	133.5
EBITDA margin, %	43.4%	49.0%	4.3%	6.7%	-	-	18.9%	21.6%
Depreciations and amortisations	-21.8	-21.6	-20.8	-20.4	-0.1	-0.1	-42.7	-42.1
EBITA	117.4	114.9	-6.8	2.5	-30.6	-26.0	80.0	91.4
EBITA margin, %	36.6%	41.2%	-2.1%	0.7%	-	-	12.4%	14.8%
Items affecting comparability	-24.0	-3.1	-31.5	-18.7	-7.6	-5.5	-63.1	-27.3
Adjusted EBITDA	163.2	132.3	45.5	41.6	-22.9	-20.4	185.8	153.5
Adjusted EBITDA margin, %	50.9%	47.5%	13.9%	12.2%	-	-	28.7%	24.8%
Adjusted EBITA	141.4	115.3	24.7	21.2	-23.0	-20.5	143.1	116.0
Adjusted EBITA margin, %	44.1%	41.4%	7.5%	6.2%	-	-	22.1%	18.7%
Items affecting comparability								
Acquisition and post-closing integration cost	-	-	-31.5	-18.7	-2.7	-5.5	-34.2	-24.2
Restructuring costs	-24.0	-3.1	-	-	-4.9	-	-28.9	-3.1
Total	-24.0	-3.1	-31.5	-18.7	-7.6	-5.5	-63.1	-27.3
Items affecting comparability classification								
Operating costs	-24.0	4.2	-31.5	-18.7	-7.6	-5.5	-63.1	-20.0
Depreciations and amortisations	-	-4.6	-	-	-	-	-	-4.6
Amortisations from acquisitions	-	-2.7	-	-	-	-	-	-2.7

NOTE 6

ALTERNATIVE PERFORMANCE MEASURES, CONT.

	North		South		Group functions		Total	
	Jan-Sep		Jan-Sep		Jan-Sep		Jan-Sep	
MSEK	2024	2023	2024	2023	2024	2023	2024	2023
Organic business	869.2	779.0	1,017.3	-	-	-	1,886.5	779.0
Acquired business	25.0	5.0	1.6	1,025.1	-	-	26.6	1,030.1
Currency	-5.3	31.3	-5.6	-	-	-	-10.9	31.3
Net sales	888.9	815.3	1,013.3	1,025.1	-	-	1,902.2	1,840.4
Organic growth, %	6.6%	4.5%	-0.8%	-	-	-	2.5%	4.5%
Acquired business, %	3.1%	0.7%	0.2%	100.0%	-	-	1.4%	138.3%
Currency effect, %	-0.7%	4.2%	-0.6%	-	-	-	-0.5%	4.2%
Total growth, %	9.0%	9.4%	-1.2%	100.0%	-	-	3.4%	147.0%
EBITDA	412.9	393.5	60.9	73.3	-87.1	-69.7	386.7	397.1
EBITDA margin, %	46.5%	48.3%	6.0%	7.2%	-	-	20.3%	21.6%
Depreciations and amortisations	-61.8	-55.4	-58.9	-57.7	-0.3	-0.1	-121.0	-113.2
EBITA	351.1	338.1	2.0	15.6	-87.4	-69.8	265.7	283.9
EBITA margin, %	39.5%	41.5%	0.2%	1.5%	-	-	14.0%	15.4%
Items affecting comparability	-36.8	-3.1	-91.7	-68.4	-24.0	-13.0	-152.5	-84.5
Adjusted EBITDA	449.7	389.3	152.6	141.7	-63.1	-56.7	539.2	474.3
Adjusted EBITDA margin, %	50.6%	47.7%	15.1%	13.8%	-	-	28.3%	25.8%
Adjusted EBITA	387.9	338.5	93.7	84.0	-63.4	-56.8	418.2	365.7
Adjusted EBITA margin, %	43.6%	41.5%	9.2%	8.2%	-	-	22.0%	19.9%
Items affecting comparability								
Acquisition and post-closing integration cost	-	-	-91.7	-68.4	-5.0	-13.0	-96.7	-81.4
Restructuring costs	-36.8	-3.1	-	-	-19.0	-	-55.8	-3.1
Total	-36.8	-3.1	-91.7	-68.4	-24.0	-13.0	-152.5	-84.5
Items affecting comparability classification								
Operating costs	-36.8	4.2	-91.7	-68.4	-24.0	-13.0	-152.5	-77.2
Depreciations and amortisations	-	-4.6	-	-	-	-	-	-4.6
Amortisations from acquisitions	-	-2.7	-	-	-	-	-	-2.7

ADJUSTED FREE CASHFLOW

MSEK	Q3		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Cash flow from operating activities	-42.4	-42.4	106.2	142.2	337.0
Acquisition of intangible and tangible assets	-37.5	-39.0	-121.2	-115.3	-163.0
Payment of lease liabilities	-15.3	-10.8	-49.1	-38.2	-63.4
Free cash flow	-95.2	-92.2	-64.1	-11.3	110.6
Items affecting comparability	63.1	27.3	152.5	84.5	120.4
Adjusted free cash flow	-32.1	-64.9	88.4	73.2	231.0

NET DEBT

MSEK	30 Sep 2024	30 Sep 2023	31 Dec 2023
Borrowing from credit institutions, long term	2,528.3	2,198.8	2,123.0
Borrowing from credit institutions, short term	113.0	86.2	83.2
Cash and cash equivalents	-370.7	-326.4	-450.6
Net debt	2,270.6	1,958.6	1,755.6

LEVERAGE RATIO

MSEK	30 Sep 2024	30 Sep 2023	31 Dec 2023
Adjusted EBITDA LTM *	739.5	621.3	636.9
Net debt	2,270.6	1,958.6	1,755.6
Leverage ratio	3.1	3.2	2.8

* Please note that LTM Adjusted EBITDA includes proforma numbers from Schultz acquisition in 2024 which has an impact on leverage ratio for Q3 2024. See more information regarding acquisitions in note 4.

Quarterly overview

MSEK	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Income statement					
Net sales	647.7	622.8	631.7	634.2	618.9
EBITDA	122.7	117.9	146.1	126.7	133.5
EBITDA margin, %	18.9%	18.9%	23.1%	20.0%	21.6%
EBITA	80.0	78.4	107.3	86.1	91.4
EBITA margin, %	12.4%	12.6%	17.0%	13.6%	14.8%
Adjusted EBITA	143.1	131.6	143.5	122.0	116.0
Adjusted EBITA margin, %	22.1%	21.1%	22.7%	19.2%	18.7%
Operating profit (EBIT)	23.1	24.4	54.9	34.1	35.9
EBIT margin, %	3.6%	3.9%	8.7%	5.4%	5.8%
Net financial items	-37.6	-24.8	-69.6	-9.2	-12.4
Profit for the period	-12.3	0.8	-11.8	23.5	21.2
Balance sheet					
Non-current assets	6,366.1	6,468.0	6,082.2	5,956.6	6,220.0
Current assets	908.4	1,020.7	1,149.1	975.9	736.6
Cash and cash equivalents	370.7	494.3	523.7	450.6	326.4
Equity	2,346.2	2,376.7	2,399.4	2,337.0	2,383.9
Non-current liabilities	3,131.7	3,172.0	2,853.2	2,775.3	2,950.6
Current liabilities	1,796.6	1,940.0	1,978.7	1,820.2	1,622.1
TOTAL ASSETS	7,274.5	7,488.7	7,231.3	6,932.5	6,956.6

Quarterly overview, cont.

	Q3	Q2	Q1	Q4	Q3
MSEK	2024	2024	2024	2023	2023
Cash flow					
Cash flow from operating activities	-42.4	17.4	131.2	194.8	-42.4
Cash flow from investing activities	-69.8	-430.5	-46.0	-43.9	-37.8
Cash flow from financing activities	-15.3	393.7	-20.2	-21.8	-12.4
Cash flow for the period	-127.5	-19.4	65.0	129.1	-92.6
Key ratios					
Net working capital	-888.0	-919.3	-829.5	-844.2	-885.5
Equity/asset ratio, %	32.3%	31.7%	33.2%	33.7%	34.3%
Adjusted free cash flow	-32.1	13.9	106.6	157.8	-64.9
Net debt	2,270.6	2,163.1	1,769.5	1,755.6	1,958.6
Share data:					
Weighted average number of ordinary shares (thousands)	107,876	107,876	107,876	107,876	107,876
Earnings per share, basic, SEK	-0.11	0.01	-0.11	0.22	0.20
Earnings per share, after dilution, SEK	-0.11	0.01	-0.11	0.22	0.20

Parent company statement of comprehensive income

MSEK	Q3		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Employee benefit expenses	-1.4	-1.1	-4.5	-3.5	-5.3
Depreciations and amortisations	-	-0.1	-0.1	-0.1	-0.1
Other operating income and expenses	-15.9	2.4	-42.0	-5.8	-15.4
Operating profit (EBIT)	-17.3	1.2	-46.6	-9.4	-20.8
Financial income	39.0	32.1	112.1	53.4	185.7
Financial expenses	-20.5	-18.2	-64.8	-18.7	-37.3
Dividend received	-	-	-	45.0	45.0
Net financial items	18.5	13.9	47.3	79.7	193.4
Group contributions	-	-	-	-	42.7
Profit before tax	1.2	15.1	0.7	70.3	215.3
Tax on profit for the period	-0.3	-4.0	-0.1	-5.2	-
Profit for the period	0.9	11.1	0.6	65.1	215.3
Total comprehensive income	0.9	11.1	0.6	65.1	215.3

Parent company balance sheet

MSEK	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS:			
Receivables from group companies	2,896.9	2,346.1	2,522.5
Investments in group companies	1,166.7	1,160.5	1,161.8
Right-of-use assets	0.3	0.1	-
Deferred tax assets	-	-	-
Total non-current assets	4,063.9	3,506.7	3,684.3
Receivables from group companies	6.6	73.4	70.0
Prepaid expenses	1.3	-	0.9
Other receivables	0.8	1.3	0.7
Current tax receivables	4.1	-	2.3
Cash and cash equivalents	76.0	47.5	16.4
Total current assets	88.8	122.2	90.3
TOTAL ASSETS	4,152.7	3,628.9	3,774.6

Parent company balance sheet, cont.

MSEK	30 Sep 2024	30 Sep 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 period	46.8	-110.1	41.3
Total equity	2,702.5	2,545.6	2,697.0
Lease liabilities	0.2	-	-
Borrowing from group companies	26.2	-	55.4
Borrowing from credit institutions	1,282.3	931.1	899.5
Total non-current liabilities	1,308.7	931.1	954.9
Borrowing from credit institutions	113.0	86.2	83.2
Trade payables	0.4	0.6	1.2
Borrowing from group companies	18.2	60.2	34.1
Current tax liabilities	-	1.3	-
Accrued expenses	9.7	3.7	4.1
Leasing liabilities, short term	0.1	-	-
Other current liabilities	0.1	0.2	0.1
Total current liabilities	141.5	152.2	122.7
TOTAL EQUITY AND LIABILITIES	4,152.7	3,628.9	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 Sep 2024	Average rate Jul-Sep 2024	Average rate Jan-Sep 2024	Closing rate 30 Sep 2023	Average rate Jul-Sep 2023	Average rate Jan-Sep 2023	Closing rate 31 Dec 2023	Average rate Jan-Dec 2023
1 DKK is equivalent to SEK	1.5156	1.5345	1.5295	1.5412	1.5782	1.5402	1.4889	1.5395
1 NOK is equivalent to SEK	0.9605	0.9733	0.9851	1.0202	1.0310	1.0118	0.9871	1.0049
1 EUR is equivalent to SEK	11.3000	11.4486	11.4085	11.4923	11.7624	11.4722	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.

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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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