

Karnov Group Holdco DK ApS
Sankt Petri Passage 5, 1165 København K

CVR 36 96 61 14

Annual report 2019

The Annual General Meeting adopted the annual report on 28 May 2020

Flemming Breinholt
Chairman of the General Meeting

Contents

Management Statement	3
Independent Auditors' Report	4
Company details	6
Management's review	7
Income statement 1 January - 31 December	10
Balance sheet 31 December	11
Cash flow statement	12
Statement of changes in equity	13
Notes	14

Management's Statement

The Executive Board have today considered and adopted the Annual Report of Karnov Group Holdco DK ApS for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with International Financial Reporting Standards as adopted by the EU. Moreover, the Annual Report is prepared in accordance with additional Danish disclosure requirements. The Management report have been prepared in accordance with Danish disclosure requirements.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations and cash flows for 2019.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 28 May 2020

Executive Board

Flemming Breinholt

Dora Brink Clausen

Charlotte Arup

Independent Auditor's Report

To the Shareholders of Karnov Group Holdco DK ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Karnov Group Holdco DK ApS for the financial year 1 January - 31 December 2019, which comprise income statement and statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 28 May 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Steffen Kaj Pedersen

State Authorised Public Accountant

mne34357

Company details

Company	<p>Karnov Group Holdco DK ApS Sankt Petri Passage 5 1165 Copenhagen K</p> <p>Municipality of registered office: Copenhagen</p>
Company type	<p>The company is a Holding Company</p>
Executive board	<p>Flemming Breinholt Dora Brink Clausen Charlotte Arup</p>
Auditors	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup</p>
Consolidated financial statements	<p>The company is a part of the consolidated financial statements for Karnov Group AB, Stockholm, Sweden. Therefore no consolidated financial statements has been prepared for Karnov Group Holdco DK ApS in accordance with § 112 in the Danish financial statement act. The consolidated financial statements of Karnov Group can be downloaded from www.karnovgroup.com.</p>

Management's review

Financial highlights

	<u>2019</u> DKK'000	<u>2018</u> DKK'000	<u>2017</u> DKK'000	<u>2016</u> DKK'000	<u>2015</u> DKK'000
Income statement					
Income from subsidiaries	5.392	33.500	106.000	40.000	0
Operating profit	4.709	32.265	105.462	39.838	(144)
Net financial items	9.099	(2.282)	(13.662)	(25.399)	(5.768)
Profit/ loss for the year from continuing operations	14.084	30.349	93.472	16.670	(5.888)
Balance sheet					
Total assets	961.955	973.101	976.144	911.421	896.176
Equity	953.300	939.215	908.866	406.395	389.725
Ratios					
Return on capital	0,5%	3,3%	10,8%	4,4%	0,0%
Equity ratio	99,1%	96,5%	93,1%	44,6%	43,5%

Definitions of performance highlights

Return on capital
Equity ratio

Operating profit divided by total assets
Equity divided by total equity and liabilities

Management's review

Annual report

During 2019 the company has acquired 18.4% of the shares in ProcurementLink ApS. Further the company has acquired additional 3.7% of the shares in LCB ApS.

The company has furthermore received dividend amounted to DKK 24 m from its subsidiaries Karnov Group Denmark A/S and Forlaget Andersen A/S.

The company has during the year recognised a net cost of DKK 3.6 related to write down of a subsidiary. Due to the accounting principles the net cost of DKK 3.6 m is recognised in the profit and loss as a cost of DKK 13.5 m in other operational expenses and a finance income from the related earn-out liability which was reduced by DKK 9.9 m. This adjustment of the liability is included in the financial items and not in the Operating Profit result. The write down is due to revenues being below expectations in the subsidiary.

The company has during the year recognised a write down of an investment in an associated company. The write down is in line with the company's accounting principles. The investment is in a start-up company developing a new digital platform for managing bankruptcy processes in legal services companies. The development of the digital solution is proceeding as planned and the company have started its operations with customers. It is expected that the company will report significantly improved financial performance in the coming period.

Company business

The company runs information and communication business through subsidiaries.

Environment

The company is a holding company with investments as its activity, so the company have no substantial environmental risk.

Development activities

The company has no development activities in 2019.

Result for the annual report

The profit of the year is as expected.

Outlook for 2019

The expectations for 2020 is a profit for the year above level of 2019.

Events after the reporting period

The current COVID-19 pandemic is expected to affect all global markets. The Company is following the situation on continuously basis.

The Company assess that the virus will have insignificant impact on its investments on a short-term basis. This is mainly due to the business model incorporated in the subsidiaries.

Management's review (continued)

Karnov Group Holdco DK has invested in the Danish legal tech start-up Ante ApS. The investment is part of Karnov Group's global strategy of establishing a broad technology platform that creates increased relevance and efficiency for professionals working with legal information. The investment has no significant impact on income statement and balance sheet for 2019.

Income statement for 1 January - 31 December

	Note	2019 DKK'000	2018 DKK'000
Income from subsidiaries		24.000	33.500
Write down of subsidiaries		(13.550)	-
Write down of associated companies		(5.058)	-
Total Income		5.392	33.500
Other operating expenses		(683)	(1.235)
Operating profit		4.709	32.265
Financial income	3	10.105	132
Financial expenses	4	(1.006)	(2.414)
Net financial items		9.099	(2.282)
Profit/ loss before income tax		13.808	29.983
Income tax expense	5	276	366
Profit/ loss for the year from continuing operations		14.084	30.349

Statement of comprehensive income 1 January - 31 December

	2019 DKK'000	2018 DKK'000
Result for the year	14.084	30.349
Total comprehensive income for the year	14.084	30.349

Balance sheet 31 December

	Note	2019 DKK'000	2018 DKK'000
ASSETS			
Investment in Group enterprises	8	946.457	958.507
Investment in associated companies	9	4.137	6.195
Receivables from Group enterprises		2.450	1.702
Loans to associated companies		2.102	-
Non-current assets		955.146	966.404
Receivables from Group enterprises		1.296	1.887
Income tax receivables		5.348	4.763
Cash and cash equivalents	7	165	47
Current assets		6.809	6.697
Total assets		961.955	973.101
EQUITY AND LIABILITIES			
Share capital	6	100	100
Retained earnings		953.200	939.115
Equity		953.300	939.215
Borrowings from credit institutions	7	-	7.627
Borrowings from parent company	7	2.502	5.465
Non-current liabilities		2.502	13.092
Borrowings subsidiary	7	956	-
Other liabilities		5.197	20.794
Current liabilities		6.153	20.794
Total liabilities		8.655	33.886
Total equity and liabilities		961.955	973.101

Statement of Cash Flows

1 January - 31 December

Note	2019 DKK'000	2018 DKK'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit	4.709	32.265
Adjustments:		
Non-cash items	18.608	-
Effect of changes in working capital:		
Increase/decrease in trade payables and other payables	-	1.289
Increase/decrease in intercompany receivables	(157)	368
Increase/decrease in intercompany payables	-	7.567
Interest paid	(827)	(2.281)
Income tax paid	(309)	374
Cash flow from operating activities	<u>22.025</u>	<u>39.582</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of participations in associated companies	(3.000)	(6.195)
Acquisition of subsidiaries	(7.500)	(6.000)
Loans to associated companies	(2.102)	-
Proceeds from investment in group companies	-	1.698
Cash flow from investing activities	<u>(12.602)</u>	<u>(10.497)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/decrease in short term borrowings	1.285	(29.050)
Principal payments on long-term debt	(10.590)	-
Cash flow from financing activities	<u>(9.305)</u>	<u>(29.050)</u>
Cash flow for the period	<u>118</u>	<u>35</u>
Cash and cash equivalents at the beginning of the period	47	12
Cash and cash equivalents at the end of the period	<u>165</u>	<u>47</u>

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK'000	DKK'000	DKK'000
Balance as at 1 January 2019	100	939.115	939.215
Profit/ loss for the year	-	14.084	14.084
Total comprehensive income for the year	-	14.084	14.084
Balance as at 31 December 2019	100	953.200	953.300
Balance as at 1 January 2018	100	908.766	908.866
Profit/ loss for the year	-	30.349	30.349
Total comprehensive income for the year	-	30.349	30.349
Balance as at 31 December 2018	100	939.115	939.215

Notes

- 1 Accounting policies
- 2 Significant accounting estimates and assessments
- 3 Financial Income
- 4 Financial expenses
- 5 Income tax expenses
- 6 Share capital
- 7 Financial instruments by category
- 8 Investment in Group enterprises
- 9 Investment in associated companies
- 10 Off-balance sheet items
- 11 Related parties
- 12 Events after the reporting period
- 13 Financial risk
- 14 Pledged assets and contingent liabilities
- 15 Reconciliation of liabilities arising from financing activities

Notes

1 Accounting policies

Basis of preparation

The financial statements of Karnov Group Holdco DK ApS have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and additional Danish disclosure requirements for annual reports as stated in the IFRS Executive Order pursuant to the Danish Financial Statement act for midsize entities in reporting class C.

The financial statements are presented in Danish kroner (DKK). Comparative figures from previous period are presented in brackets.

Changes in accounting policies

Karnov Group Holdco DK ApS has implemented the standards and amendments that are effective for the financial year of 2019. The new standards and amendments did not effect recognition and measurement for 2019, nor are they expected to have any significant future impact.

Foreign currency

Functional currency

The functional currency is the currency used in the primary financial environment in which the entity operates. The functional currency for King Holdco DK ApS is DKK.

Foreign currency translation

On initial recognition, foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the transaction dates.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement within 'finance income or costs'.

Revenue

Dividend income is recognised when the right to receive payment is established.

Financial income

Financial income comprise interest income, other finance income and exchange rate gains on translation of foreign currency transactions.

Financial expenses

Financial expenses comprise interest expenses including interest from finance lease agreements and exchange rate losses on translation of foreign currency transactions. Furthermore amortization of financial liabilities are recognised in financial expenses.

Investments in Group enterprises

Investments in Group enterprises are recognised and measured to cost. See note 2 for further information.

Notes

Investments in associated companies

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

Financial assets

The Company classifies its investments in the following categories: at fair value through profit or loss, loans and receivables, and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. At current, the Company only has loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

Deferred tax liabilities

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

Trade payables and other liabilities

Trade payables and other liabilities are recognised initially at fair value and subsequently amortised cost. The difference between cost and the nominal value is recognised in the statement of comprehensive income as an interest expense over the loan period using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Cash flows statement

The cash flow statement is prepared using the indirect method and is based on operating profit for the year. The cash flow statement shows cash flows for the year from operating, investing and financing.

Cash flows from operating activities comprise profit adjusted for non cash transactions, interest received, interest paid, tax paid and change in working capital.

Notes

Cash flows from investing activities comprise payment in connection with the purchase and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the share capital, dividend payments to owners, raising of loans and repayments on loans and sale and purchase of other financial assets.

New accounting regulations

New and amended standards adopted by the Company

The Company has adopted all relevant new, amended and revised accounting standards effective for the accounting period beginning from 1 January 2019. None of these new, updated and amended standards have any significant impact on the financial statements of the Company for 2019.

New standards and interpretations not yet adopted

IFRS 16 "Leases"

The Company currently has no leasing agreements and therefore no impact can be recognized.

2 Significant accounting estimates and assessments

The preparation of the financial statements involves the use of informed accounting estimates. These estimates are made by King Holdco's Management. The estimates are based on professional judgement, historical data and other factors available to Management. By their nature, estimates include uncertainty, and actual results may therefore be different from the estimates at the reporting date. Estimates are continuously evaluated, and the effects of any changes are recognized in the relevant period.

Investment in Group enterprises

The management annually tests whether any individually investment in a group enterprise have suffered any impairment. Every individual investment in a Group enterprise is considered a CGU. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the application of estimates.

The total carrying amount of investments in Group Enterprises at 31 December 2019 are presented in Note 8.

Estimated cash flows for the first year are based on most recent budgets approved by the Board of Directors. Estimated cash flows for years 2-5 are based on the CGU's business plan for the period approved by the Board of Directors. After the budget period, estimated growth in the terminal period are 2,0% (2,5%) corresponding to the expected market growth.

The assessments behind the growth rates applied for the discounted cash flow have been conducted individually for each CGU and are based partly on historical rates and partly on expectations to future growth as a result of the implementation of the strategy for the investment entities.

Sensitivity calculations have been made and within a reasonable span of deviation from the applied assessments, a write-down on investment in a Group enterprise is not foreseeable in the near future.

There are no areas implying a high degree of assessment or complexity or areas in which assumptions are material to the financial statement.

Notes

3 Financial Income	<u>2019</u>	<u>2018</u>
	DKK'000	DKK'000
Interest income, bank	102	
Financial Income, intercompany	77	133
Reversed Earn-out liability	9.926	
	<u>10.105</u>	<u>133</u>
4 Financial expenses		
Financial expenses, borrowings	(769)	(2.046)
Financial expenses, intercompany	(237)	(368)
	<u>(1.006)</u>	<u>(2.414)</u>
5 Income tax expenses		
Tax on profit/ loss for the year can be specified as follows:		
Current tax on profit/ loss for the year	(37)	(366)
Adjustments to prior years	(239)	
	<u>(276)</u>	<u>(366)</u>
Profit/ loss before income tax:	<u>13.808</u>	<u>29.983</u>
Calculated 22% tax on profit/ loss before tax	3.038	6.596
Non-taxable income	(5.280)	(7.370)
Other adjustments	1.966	408
Tax charge	<u>(276)</u>	<u>(366)</u>
No deferred income tax		
6 Share capital	<u>Number of</u>	<u>Shares of</u>
	shares	DKK
Karnov Group Holdco DK ApS	100.000	1
	<u>100.000</u>	

The company was established 16 July 2015.
All shares issued by the company were fully paid.

Notes

7 Financial instruments by category

	Carrying amount		Fair value	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
<u>Financial assets</u>				
Financial assets at amortised cost				
Cash and cash equivalents	165	47	165	47
Total financial assets	165	47	165	47
<u>Financial liabilities</u>				
Financial liabilities at fair value through profit or loss (FVPL)				
Contingent considerations	5.069	20.752	5.069	20.752
Financial liabilities at amortised cost				
Borrowings from credit institutions	-	7.627	-	7.627
Borrowings from parent company	2.502	5.465	2.502	5.465
Borrowings from subsidiaries	956	0	956	0
Total financial liabilities	7.571	33.844	7.571	33.844

Cash and cash equivalents

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

Contingent consideration

The fair value of the contingent considerations is estimated by calculating the present value of the future expected cash flows. The estimates are based on discount rates between 7 percent and 10 percent. They are classified at level 3 in the fair value hierarchy.

Current borrowings from credit institutions

The fair value of current borrowings is considered to be the same as the carrying amount since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. They are classified at level 2 in the fair value hierarchy.

Non current borrowings from parent company

The fair value of non-current borrowings from related parties is based on discounted cash flows using a current borrowing rate. They are classified at level 2 in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Notes

8 Investment in Group enterprises	<u>2019</u>	<u>2018</u>
	DKK'000	DKK'000
Cost at 1 January	958.507	958.507
Additions	<u>1.500</u>	<u>-</u>
Cost at 31 December	<u>960.007</u>	<u>958.507</u>
Revaluation at 1 January	-	-
Revaluation for the year	<u>-13.550</u>	<u>-</u>
Revaluation at 31 December	<u>-13.550</u>	<u>-</u>
Carrying amount at 31 December	<u>946.457</u>	<u>958.507</u>

Investment in Group enterprises as follows

	<u>Place of business</u>	<u>% of owner- ship interest</u>	<u>Profit/ loss</u>	<u>Equity</u>
			DKK'000	DKK'000
Karnov Group Denmark A/S	Copenhagen	100,0%	44.461	142.299
Forlaget Andersen ApS	Copenhagen	100,0%	4.984	8.601
LCB ApS	Copenhagen	78,7%	-367	929

9 Investment in associated companies

	<u>2019</u>	<u>2018</u>
	DKK'000	DKK'000
Cost at 1 January	6.195	0
Additions relating to acquisitions	<u>3.000</u>	<u>6.195</u>
Cost at 31 December	<u>9.195</u>	<u>6.195</u>
Revaluation at 1 January	-	-
Revaluation for the year	<u>-5.058</u>	<u>-</u>
Revaluation at 31 December	<u>-5.058</u>	<u>-</u>
Carrying amount at 31 December	<u>4.137</u>	<u>6.195</u>

Associated entities

Bella Intelligence Aps	40,0%
ProcurementLink ApS	18,4%

Investments in associates are accounted for using the equity method, after initial recognition at cost. Under the equity method, investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the acquiree in profit or loss, and the Group's share of fluctuations in other comprehensive income of the acquiree in other comprehensive income. The investments are in green-field companies with expected potential for the Group. At present, Management has assessed that no risk of impairment is indicated of the investments apart from already recognised in the profit and loss for the period.

Notes

10 Off-balance sheet items

	2019	2018
	DKK'000	DKK'000
During 2019 the previous loan agreement between Karnov Group and Nordea was terminated. At the same time the pledge of all Group assets as well as all individual assets of each single subsidiary within the Group was released. Karnov Group has entered into a new loan agreement with no pledge.	-	958.507

11 Related parties

The Company's ultimate parent company Karnov Group AB (publ) was listed at Nasdaq Stock Exchange in Stockholm on April 11, 2019. No single shareholder has a majority of shares in the Karnov Group.

	Parent companies		Other group companies	
	2019	2018	2019	2018
Purchase of goods and services	-	-	1.004	1.004
Received interest	-	-	77	133
Paid interest	237	368	-	-
Financial assets	-	-	3.746	3.589
Financial liabilities	2.502	5.465	-	-

12 Events after the reporting period

The Company has invested in the Danish legal tech start-up Ante ApS. The investment is part of Karnov Group's strategy of establishing a broad technology platform that creates increased relevance and efficiency for professionals working with legal information. The investment has no significant impact on income statement and balance sheet for 2019.

The current COVID-19 pandemic is expected to affect all global markets. The Company is following the situation on continuously basis.

The Company assess that the virus will have insignificant impact on its investments on a short-term basis. This is mainly due to the business model incorporated in the subsidiaries.

13 Financial risk

Credit risk

Credit risk arises from cash and cash equivalents, as well as credit exposures from loans to other companies in the group. The credit risk concerning cash equivalents are based on the group risk policies.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Liquidity risk

The company generates sufficient positive cash flows to service its liabilities and planned development. Surplus cash is declared as dividend. Capital management is carried out to ensure low risk. Management monitors funding and liquidity and ensures the availability of required liquidity through cash management and committed facilities.

Notes

Market risks

Foreign exchange risk:

The company has no assets or liabilities in foreign currency as a result of this the company is not exposed to foreign exchange rate risks.

Interest rate risk

The company's payables and receivables to the parent company and other group companies are subject to a variable interest rate which is currently 3.0% (7.0%).

Bank deposits are subject to variable interest rates which are currently 0.0% (0,0%).

The carrying amounts of recognized financial assets or liabilities will not change significantly subject to changes in interest rate levels.

14 Pledged assets and contingent liabilities

Karnov Group Holdco DK ApS are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 54.051. (TDKK 11). Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

15 Reconciliation of liabilities arising from financing activities

TDKK	2018	Cash Flows	Non-cash changes			2019
			FX	Accrued interest	Other	
Long-term borrowings	13.092	-6.682	-	-	-	6.410
Total liabilities	13.092	-6.682	-	-	-	6.410