



Karnov Group Interim Report Q1

Pontus Bodelsson, CEO
Jonas Olin, CFO
10 May 2022

A portrait of Pontus Bodelsson, a man with short, light brown hair and a beard, wearing a dark suit jacket over a light blue shirt. He is smiling slightly and looking towards the camera. The background is a blurred office interior with large windows.

Q1 highlights and operational update

Pontus Bodelsson

Financial highlights Q1

Strong growth and good cash flow

+9%

Net sales

+5%

Organic growth

41%

Adjusted EBITA
margin

0.8x

Leverage

Solid start to the year in Denmark

First users onboarded on the new municipality solution



Key comments

- › Organic growth of 3.7% and adjusted EBITA margin of 41.0%.
- › First sales of municipality solution and first users onboarded
- › Launched product specific value proposition videos and videos with our authors to highlight our premium curated content
- › Release of the annual edition of Karnovs Lovsamling
 - › Still a very appreciated product among legal professionals

Continued strong trend in Sweden/Norway

Public sector, municipalities and EHS continue to drive growth



Key comments

- › Organic growth of 5.8% and adjusted EBITA margin of 40.6%
- › Solid performance in our legal core
 - › Focus on developing new features in close collaboration with our customers
- › Our vertical solutions performs well
 - › EHS vertical grows well in line with previous year
 - › DIBkunnskap launched IFRS service in Sweden
 - › DIBkunnskap also launched document management solution "dflow" in Norway
- › Release of the annual edition of Sveriges Rikes Lag

Preparing for future growth

Progressing in preparation of contemplated acquisition of legal research businesses in Spain and France



Transaction at a glance

- › Share purchase agreement signed in the first quarter
- › Completion of the transaction will occur when having received clearance from the Spanish Antitrust Authority and we expect it to occur during 2022
- › Currently ongoing merger initiatives with eight workstreams
- › Financing in place with bridge loan of EUR 110 m partly covered by directed share issue in December SEK 583 m

A portrait of Jonas Olin, a middle-aged man with glasses, smiling. He is wearing a dark suit jacket over a light-colored shirt. The background is a blurred office interior with large windows.

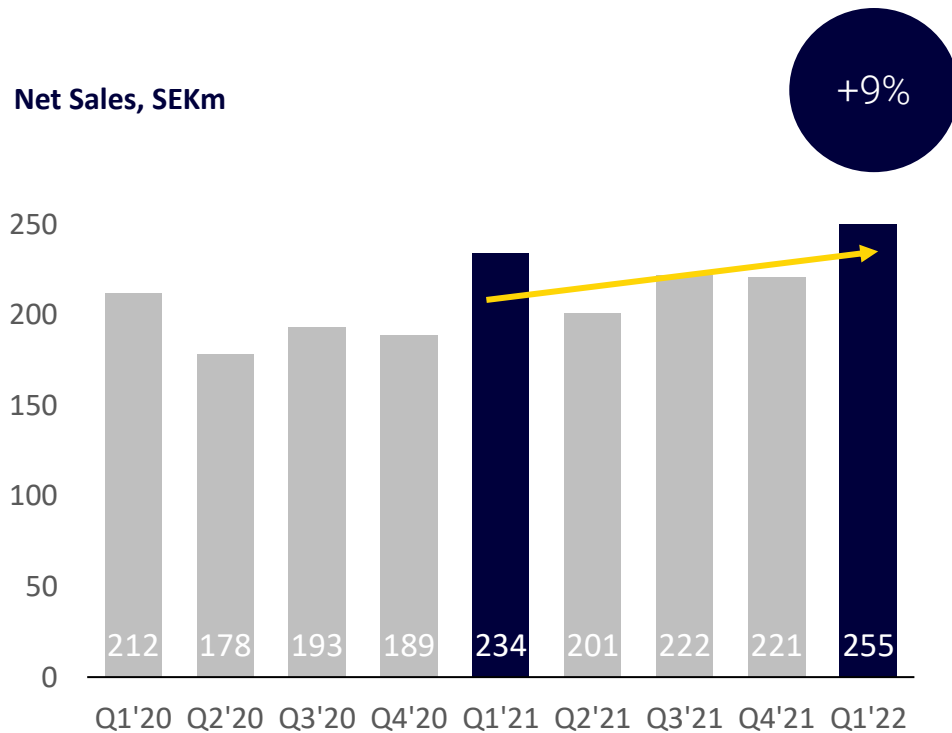
Financial development

Jonas Olin

Strong growth in the first quarter

... both segments contributed to growth

GROUP



Key comments

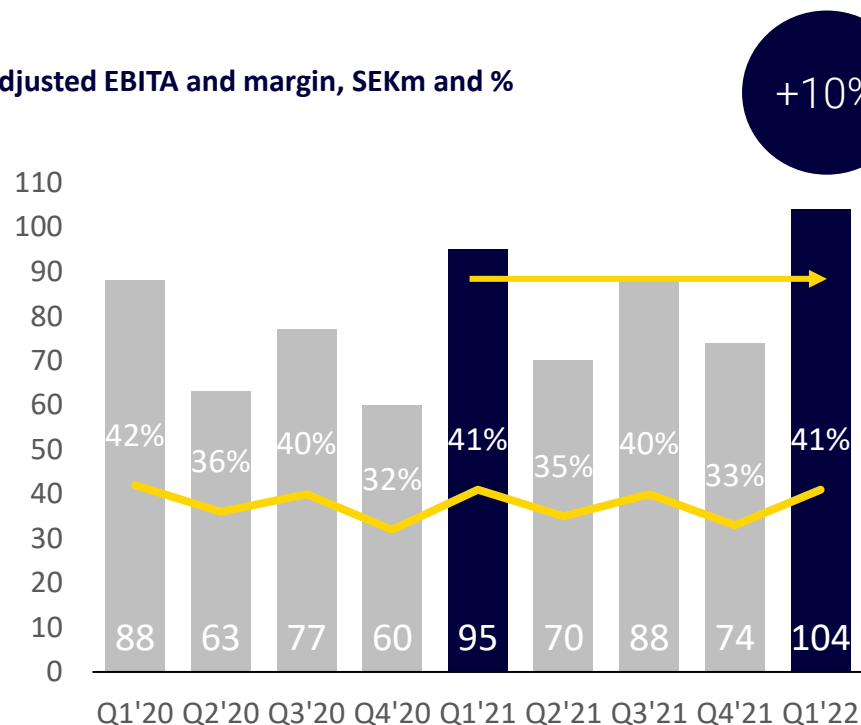
- Net sales growth of 9.2% of which organic growth was 4.8%, currency effects was 2.3% and acquired growth was 2.1%
- Online sales continued to be a growth driver
 - Mainly sales to new customers and upselling to existing customers within public sector, municipalities and our EHS vertical
 - We sell user licenses to a broader customer group
- Acquired businesses have performed in line with expectations in the quarter

Stable margin in Q1

...in line with the corresponding period the previous year

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Adjusted EBITA and margin, SEKm and %



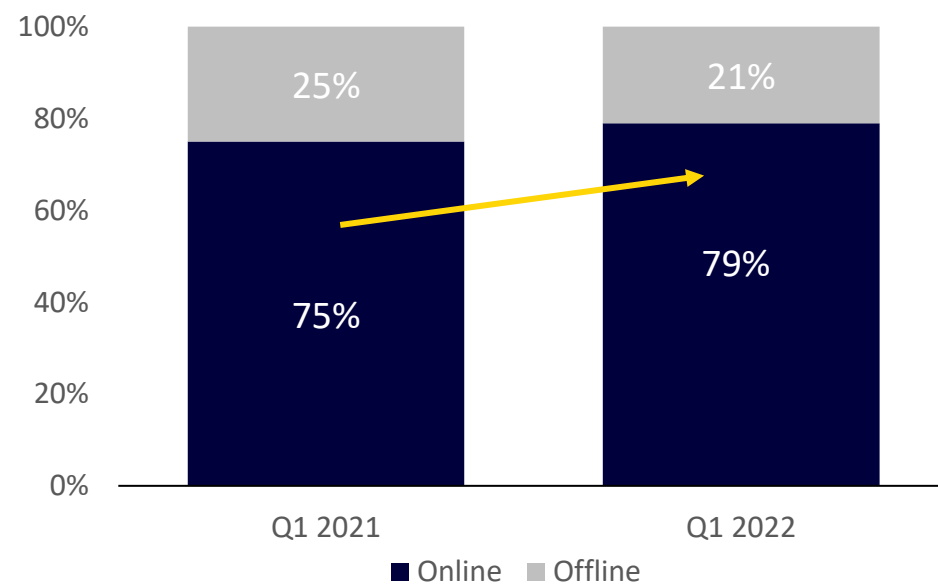
Key comments

- Adjusted EBITA improved by 9.5% to SEK 104 m (95)
- Adjusted EBITA margin improved by 10 basis points to 40.8% (40.7)
 - The margin is in line with the corresponding period the previous year and slightly higher than for the typical full year due to seasonality of the business
- Items affecting comparability amounted to SEK 19 m (0) and relates to the contemplated acquisitions in Spain and France

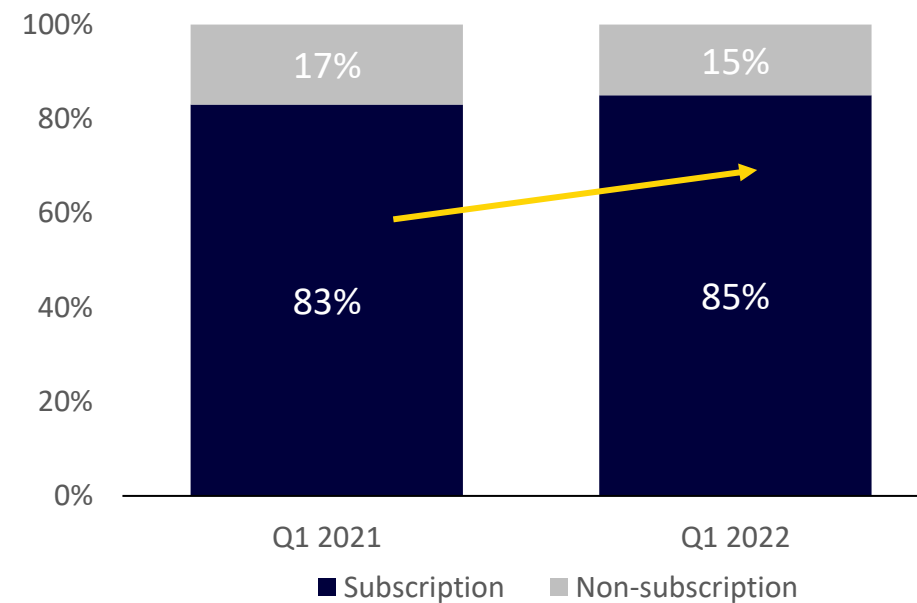
Online & subscriptions growing

SALES SPLIT

Sales split online/offline, %



Sales split subscription/non-subscription, %

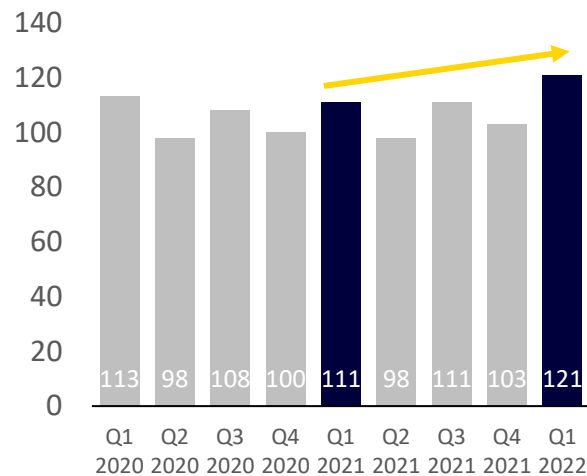


Content with performance in Denmark

Increased demand of law services have a positive impact

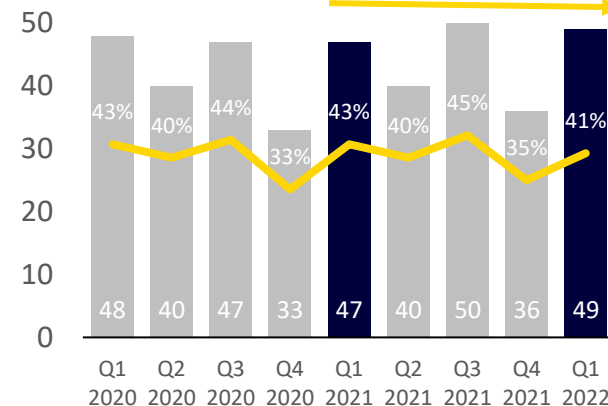
DENMARK

Net Sales, SEKm



+9%

Adjusted EBITA, SEKm and margin %



+4%

Key comments

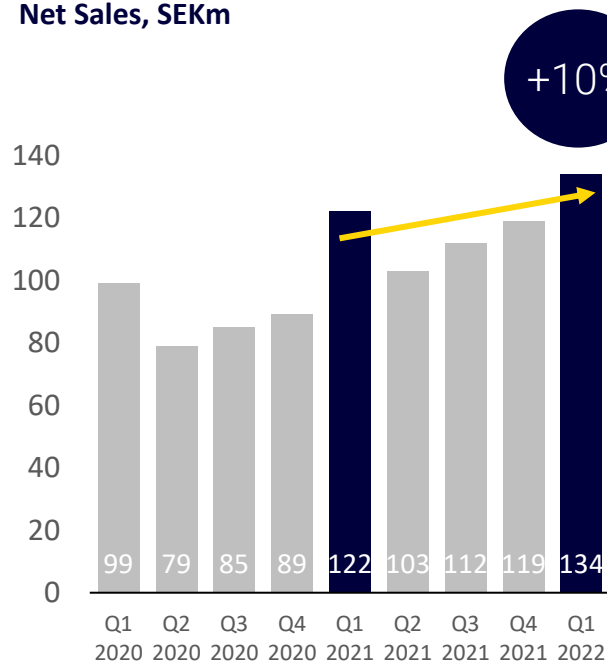
- Organic growth was 3.7%, acquired growth amounted to 1.2% and currency effects had a positive impact of 3.7%
- Organic growth driven by online sales
 - Continued growth in legal core due to increased market demand
 - First municipality contracts in Denmark closed in the first quarter
- Adjusted EBITA margin on the stable level of 41.0%

Solid results in Sweden/Norway

Increased need of access to legal information due to legal complexity

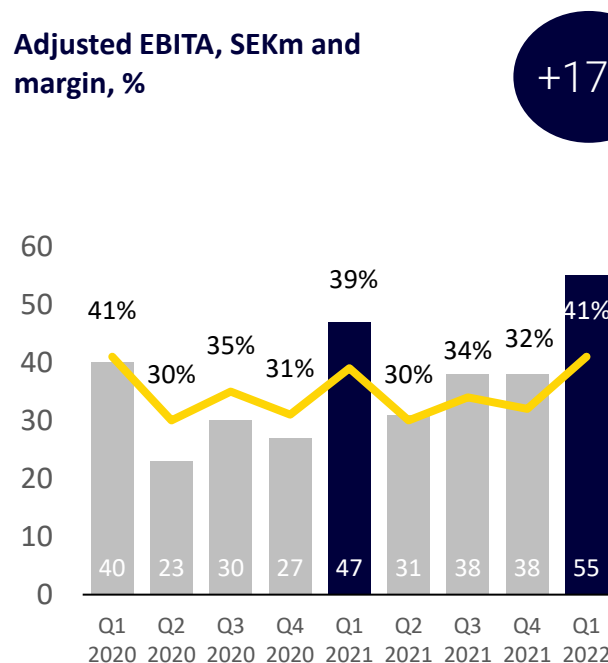
SE/NO

Net Sales, SEKm



+10%

Adjusted EBITA, SEKm and margin, %



+17%

Key comments

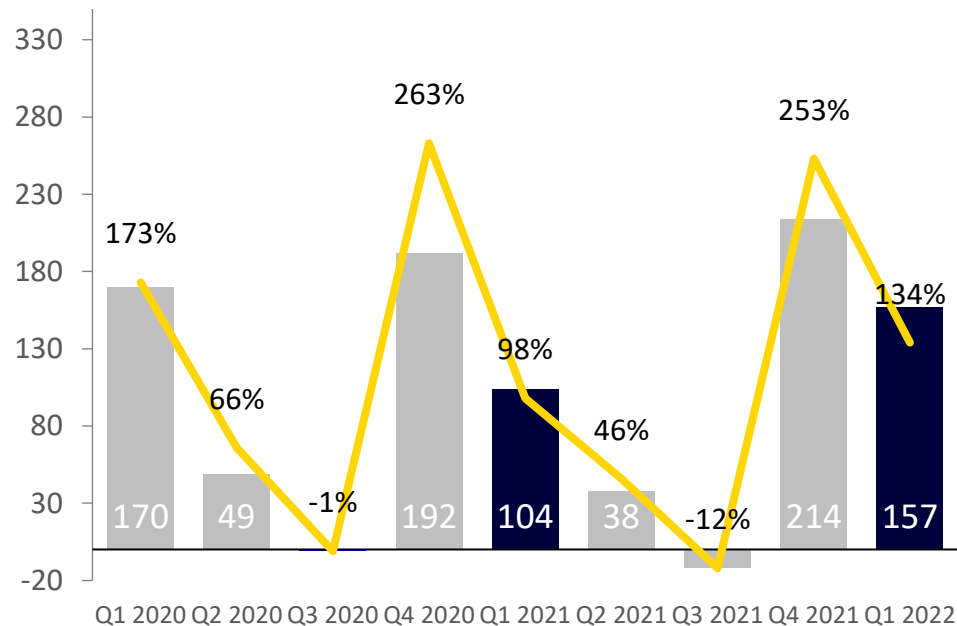
- Organic growth was 5.8%, acquired growth amounted to 2.8% and currency effects had a positive impact of 1.1%
- Growth driven by good online sales, upselling to existing customers and sales to new customers
- Still valid trend with growth in public sector, municipalities and EHS vertical
- DIBkunnskap is now part of organic growth
- Adjusted EBITA margin improved by 160 basis points to 40.6% driven by the increase in net sales and different product mix

Good cash flow and leverage at 0.8x

Preparing contemplated acquisition in Spain and France

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Adj. operating cash flow, SEKm
and cash conversion, %



Key comments

- Adjusted operating cash flow increased by SEK 42 m
- Solid financial position with low leverage of 0.8x
 - Ready to complete contemplated acquisitions in Spain and France
 - Financing in place for the acquisition, due to a new bridge loan facility and other debt facilities with Nordea of EUR 110 million

Summary of Q1

1

Good start to the year

- Organic growth 5%
- Adjusted EBITA margin 40.8%
- Leverage at 0.8x

2

Growth on both segments

- Good performance in both new sales and upselling
- We sell more licenses to customer groups without formal legal education

3

We focus on staying closer to the customers and provide solutions for their challenges of today and possibilities of tomorrow

4

Preparing for future growth

- Transaction process in France and Spain proceeds according to plan

Q&A

Better decisions, faster

Find what you need, trust what you find and
do it quickly.

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www.karnovgroup.com



Appendix

Company video



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