



Karnov Group Interim Report Q1

Pontus Bodelsson, CEO
Leif Mårtensson, Interim CFO
9 May 2023

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 outlook

Pontus Bodelsson

Financial highlights Q1

European growth and strong operating cashflow

614

Net sales
(SEKm)

+6%

Organic growth

23%

Adjusted EBITA
margin

3.4x

Leverage

Group highlights

Satisfactory results – preparing for future European growth



Key comments

- › Satisfactory growth with stable earnings
 - › High customer satisfaction and low churn
- › Macro trends support and expand the market demand
 - › Increasing regulations and legislation
 - › Legislation increasingly complex
 - › Practical tools to assist the lawyer
- › An ambitious M&A pipeline
 - › European expansion
 - › Growth opportunities in EHS and T&A
 - › Tech bolt-ons for additional customer value

Solid start to the year in Region North

Growing sales and new possibilities



Key comments

- › Strong organic growth with stable earning capabilities
- › Alexandra Åquist appointed CEO of Region North
- › Continue to enhance customer value
 - › Tools for improved accessibility and improved workflow are important assets of ours
- › Municipality solution an important tool for civil servants to make correct decisions, fast
 - › Growing in all markets

Great opportunities in Region South

Synergies plan in place



Key comments

- › Stable net sales and adjusted EBITA margin development in line with expectations
- › Guillaume Deroubaix appointed CEO of Region South
- › Cross-selling in Spain
 - › New whistleblower tool launched in Spain which is to be sold across organisations in Aranzadi LA LEY
 - › First cross-organisational sales in Q1
- › Project for a common tech platform ongoing
 - › Progress in line with time-plan
- › E-learning growing in Lamy Liaisons

Practical AI applications to the benefit of customers

Enhanced customer value and internal efficiency



Key comments

- › Trust what you find, find it quick and make better decision, faster
 - › Karnov's deep content and industry knowledge enable us to develop tools to assist lawyers
 - › Region South has workflow tools based on AI in the product suite while Region North is currently working with AI applications on an explanatory level
 - Opportunities for cross-border knowledge sharing
 - Karnov development is made to benefit the customers in all markets
- › We see potential internal efficiency gains through AI
 - › Opportunity to automate repetitive tasks such as data entry and free up staff to focus on higher level tasks

New composition of Group Management

Right foundation for future growth and keeping focus on regional businesses



Key comments

- › Karnov is on a growth journey
 - › Focus on European growth and strategic priorities such as content and AI
 - › Our ambition is to become the number one choice in legal knowledge in Europe
 - › Keeping eyes open for additional M&A activities in Europe
- › Local leadership close to customers
 - › CEOs appointed for both Region North and Region South to continue developing our strong regional businesses close to our customers

A portrait of Leif Mårtensson, a middle-aged man with glasses, wearing a suit and tie. He is looking directly at the camera with a slight smile. The background is a blurred interior with warm yellow lighting.

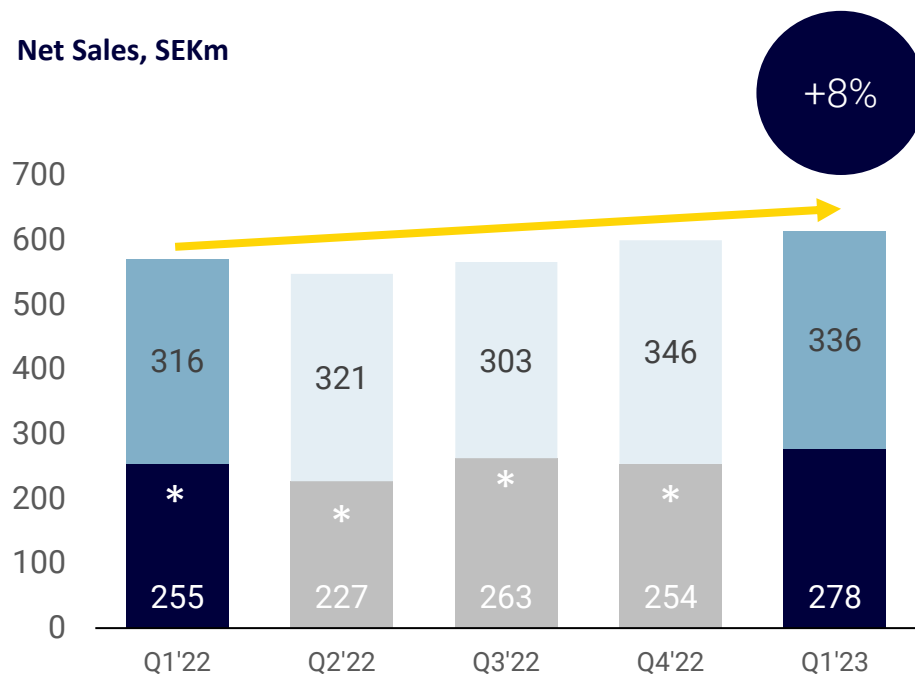
Financial development

Leif Mårtensson

European growth

Scandinavian expansion and stable performance in Region South

GROUP



Key comments

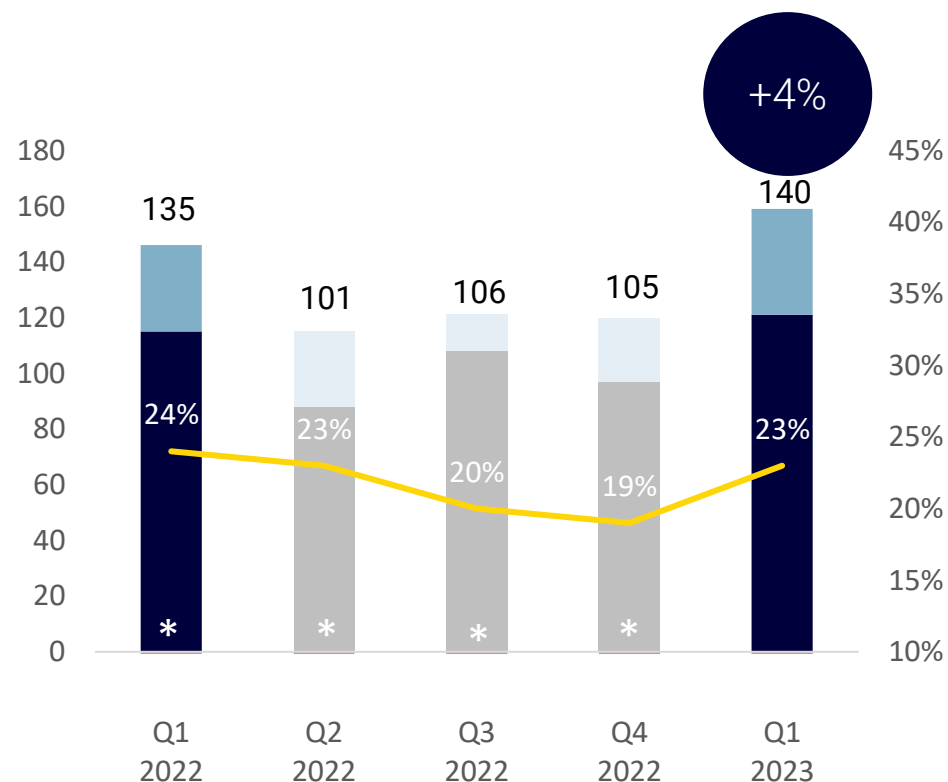
- Strong net sales development
 - Organic growth of 5.8% supported by acquired growth of 132.3% and positive currency effects of 2.6%
- Scandinavian expansion in Region North
 - Organic growth driven by strong new sales in the public sector and enhanced offering within our legal core
 - Solid performance by our EHS businesses and DIBkunnskap
- Region South has a stable development
 - Net sales increased by SEK 20 m compared to Q1 2022 driven by currency effect. Underlying performance is stable.

*Comparing figures include proforma numbers for Region South. These have not been audited by the company's auditor.

Continued strong earnings capabilities

New base margin in 2023 due to the acquisition of Region South

GROUP



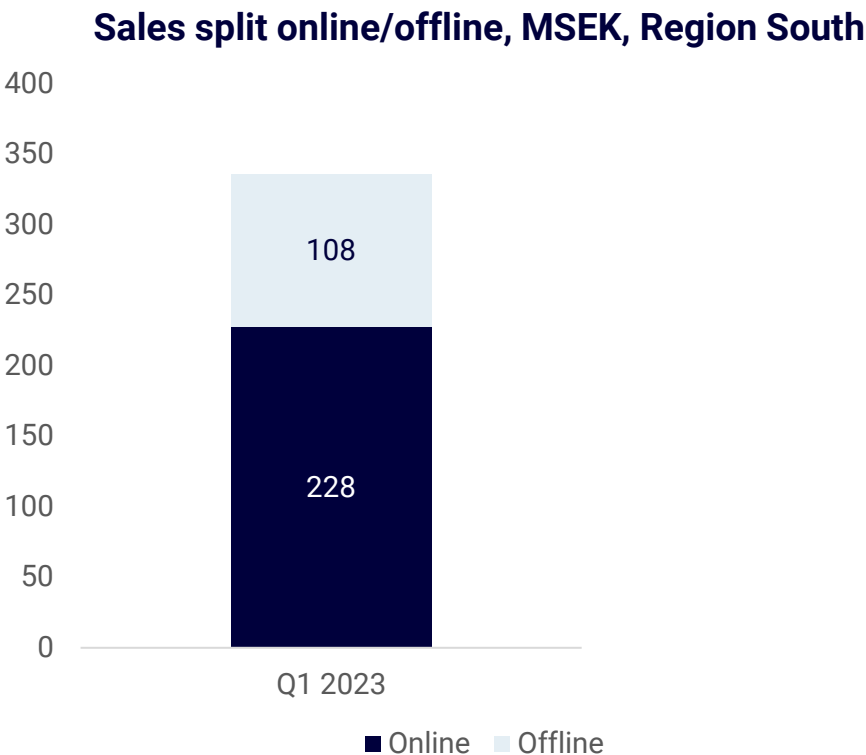
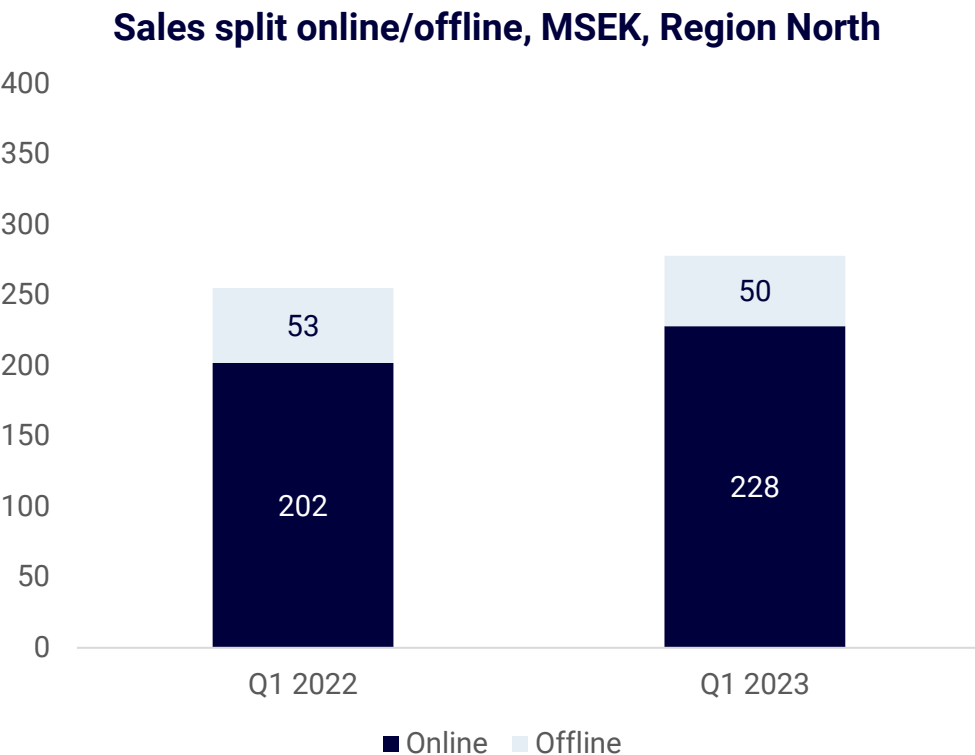
Key comments

- Adjusted EBITA amounted to SEK 140 m (proforma 135)
- Group margin decreased by -0.7 pp compared to proforma Q1 2022.
 - The decrease is mainly due to filled vacancies in Region North
 - Group function costs have increased due to the new size and complexity of the Group
- Focus onwards is to harvest synergies in Region South and improve the adjusted EBITA margin

*Comparing figures include proforma numbers for Region South. These have not been audited by the company's auditor.

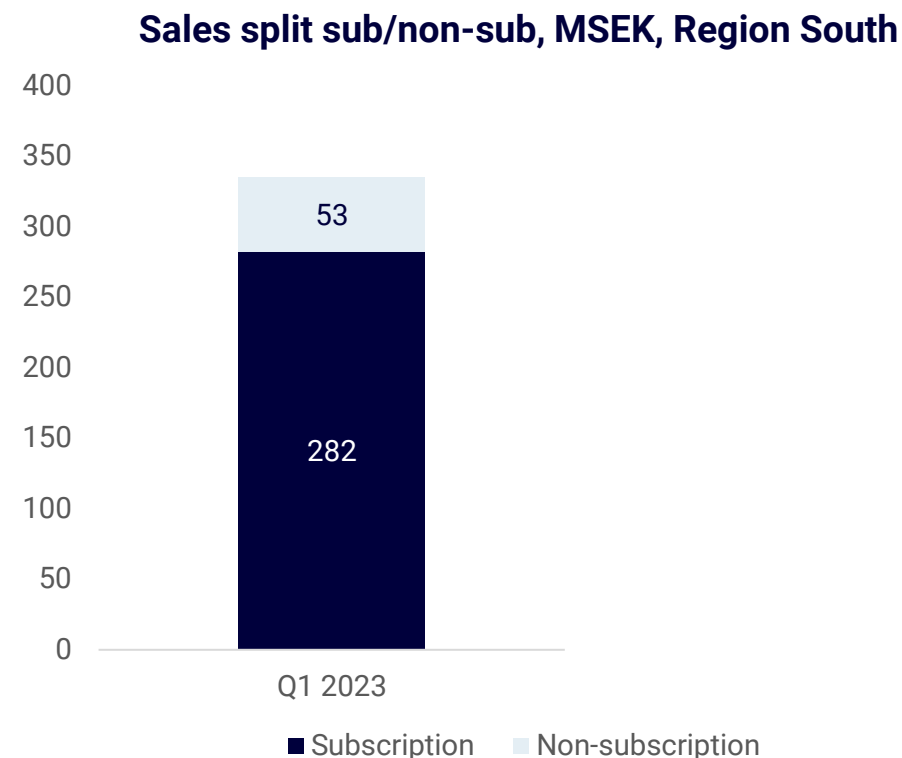
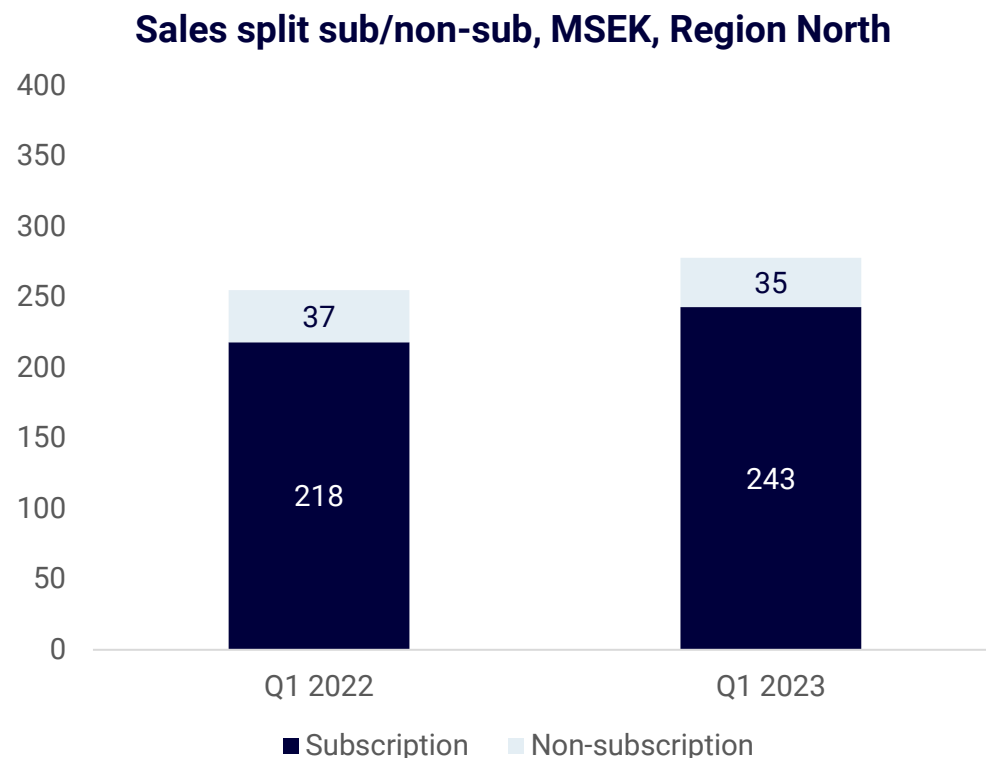
Online sales continue to grow

Higher portion of offline sales in Region South



High portion of subscriptions paid in advance

Similar subscription-based sales in both segments

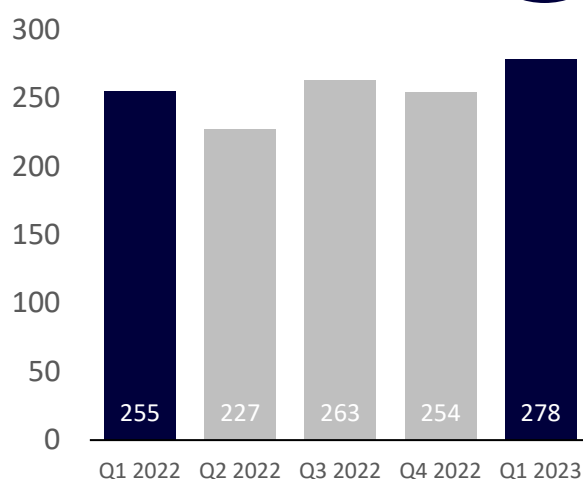


Strong growth trajectory in Region North

Solid organic growth and high-level margin

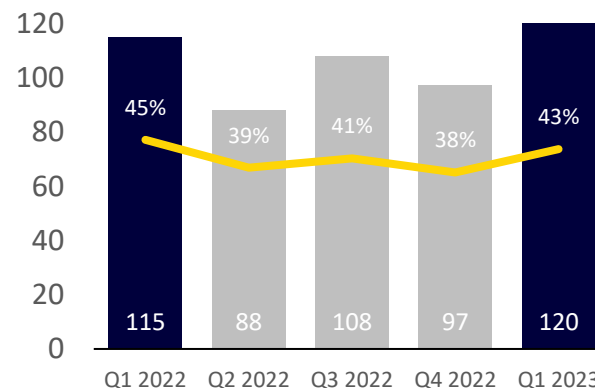
REGION NORTH

Net Sales, SEKm



+9%

Adjusted EBITA, SEKm and margin %



+4%

Key comments

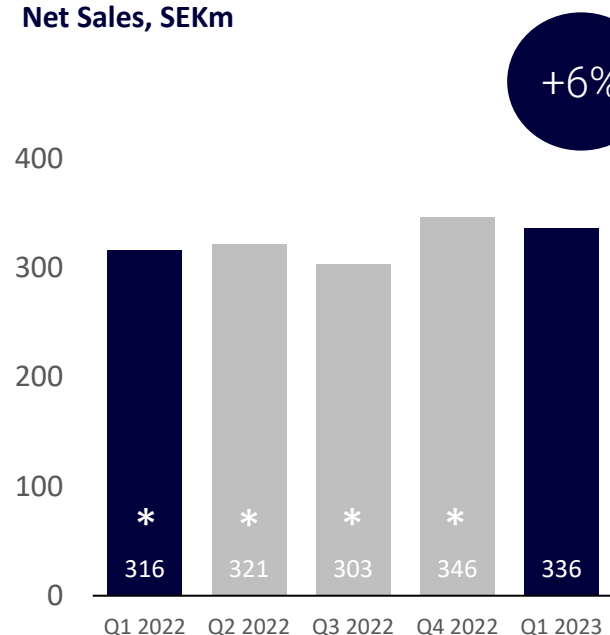
- Organic growth at the satisfying level of 5.8%. Currency effects had a positive impact of 2.6%
- Organic growth driven by online sales
 - We have enhanced customer value within legal core and been successful in new sales in the public sector
 - New product ROA is appreciated among customers
- Adjusted EBITA margin was 43.4%
 - Increased cost base due to filled vacancies for future customer value
 - Increased D&A of SEK 3 m from capitalised development

Stability in Region South

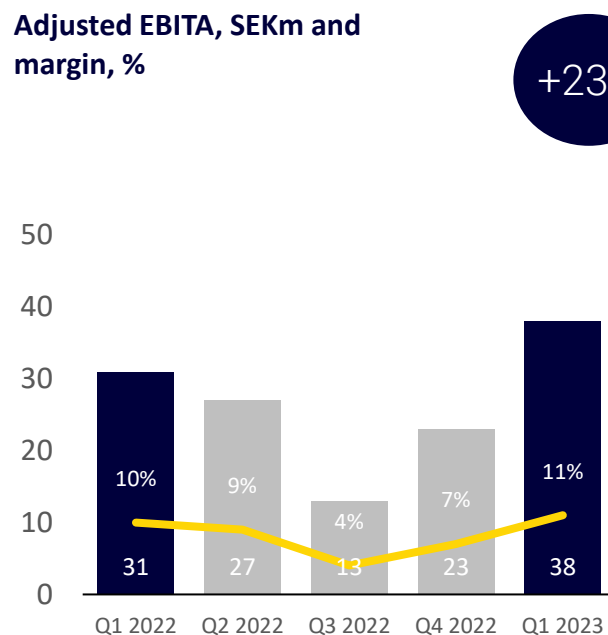
Mature businesses with innovative solutions

REGION SOUTH

Net Sales, SEKm



Adjusted EBITA, SEKm and margin, %



Key comments

- Net sales increased by 6%
 - The significant increase in net sales compared to proforma is explained by currency effects of 6.7%
 - Underlying performance is stable. We have good traction within the e-learning segment in both markets
- Adjusted EBITA margin was 11.2%
 - The improved margin is mainly the result of lower personnel expenses as well as currency effects
 - Focus onwards is to harvest synergies

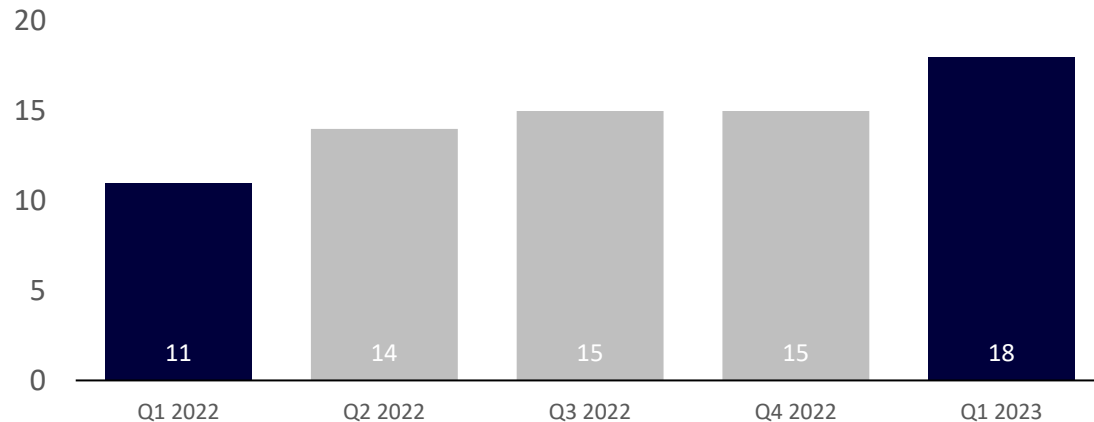
*Comparing figures include proforma numbers for Region South. These have not been audited by the company's auditor.

Group functions

Increased costs due to European expansion

GROUP FUNCTIONS

Adjusted EBITA, SEKm and
margin, %



Key comments

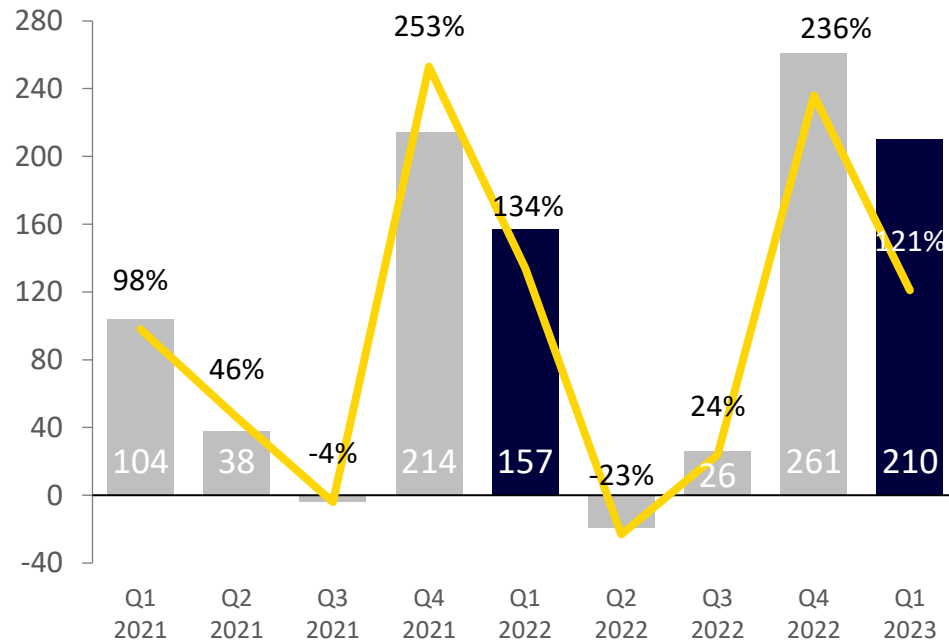
- The Group Function consists of the functions which takes responsibility for Group wide tasks, e.g. Group management, Investor Relations and Group Finance functions
- Increase of SEK 7 m compared to Q1 2022 as we have strengthened corporate functions, in line with earlier announcements

Improved leverage

Invoicing season completed with strong operating cash flow

GROUP

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



Key comments

- › Adjusted operating cash flow amounted to SEK 210 m
- › Both segments generated cash due to invoicing seasons
- › Region South has a slightly later seasonal dynamic with a more widely spread of invoicing
- › Leverage of 3.4x
- › Our focus is to improve leverage below the financial target of 3.0x and invest further in Region South to harvest synergies
- › We keep our eyes open for future European growth opportunities.

Summary of Q1

1

Solid financial performance

- Organic growth 6%
- New Group profitability level

2

European growth

- Growth in EHS, public sector and T&A
- Keeping our eyes open for European growth

3

Enhance customer value with AI

- Opportunities for both new customer value and raised productivity within Karnov Group
- Our premium deep content is a great asset

Q&A

Better decisions, faster

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

For more information visit
www.karnovgroup.com



Appendix

Company video



Important information

The following applies to this document, the oral presentation of the information in this document by Karnov or any person on behalf of Karnov, and any question-and-answer session that follows the oral presentation.

This presentation may contain forward-looking statements that reflect Karnov's current views with respect to future events as well as potential financial results and operational performance. Forward-looking statements, as a general manner, are all statements other than statements as to historical facts or present facts or circumstances as well as other statements regarding present facts or circumstances. The words "believe", "expect", "mean to", "intend", "estimate", "anticipate", "assume", "predict", "can", "will", "shall", "should", "consider", "may", "might", "plan to", "aim", "potential", "calculate", "as far as is known", or in each case, their negative, or similar expressions, identify certain of these forward-looking statements. Other forward-looking statements can be identified by the context in which they are used. Although Karnov believes that the expectations reflected in such forward-looking statements are reasonable, Karnov can give no assurances that the forward-looking statements will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors, including factors outside Karnov's control. Any forward-looking statements included in this presentation speak only as at the date of this presentation. Information in this presentation may be changed, added to or corrected without advance notification but Karnov undertakes no obligation to publicly update or revise any information, including any forward-looking statements, whether as a result of new information, future events or otherwise.