

Press Release – 21 August 2025

Karnov Group reports second quarter 2025

Solid growth, AI momentum and improved margins

FINANCIAL HIGHLIGHTS SECOND QUARTER

- The Group's net sales amounted to SEK 649 m (623). Organic growth (constant currency) was 4.6%. Currency effect was -4.0%. Acquired growth was 3.6%.
- The Group's adjusted EBITA amounted to SEK 148 m (132) with adjusted EBITA margin of 22.8% (21.1).
- The Group's EBIT amounted to SEK 47 m (24).
- Profit for the period amounted to SEK 8 m (1).
- Earnings per share before and after dilution amounted to SEK 0.07 (0.01).
- Adjusted free cash flow amounted to SEK -3 m (14).

COMMENT FROM CEO PONTUS BODELSSON

In the second quarter, organic growth accelerated to 5% as we progressed well with AI sales, and the adjusted EBITA margin improved to 23%. Region North continued to deliver strong results. In Region South, where margins are below our ambitions, we are taking decisive steps to reshape the business highlighted by the recent divestment of the Spanish training business. We are entering the market for legal workflow tools and will launch new AI-driven solutions this year.

AI-DRIVEN GROWTH AND IMPROVED MARGINS

The Group's net sales amounted to SEK 649 m in the second quarter, with organic growth accelerating to 5% thanks to strong online sales in Region North. Our best-in-class proprietary content combined with the capabilities of our AI assistant is generating a highly valued tool for legal professionals. Customers are confirming measurable efficiency gains and usage is increasing steadily. Our AI solution is a component of the accelerated organic growth in the second quarter, and we are still early in the adoption curve.

The Group's adjusted EBITA margin reached 23% in the second quarter, an improvement of 2 percentage points compared to the second quarter last year. The improvement is mainly the result of operational leverage and harvested synergies in Region North, while margins were below our ambitions in Region South. Online sales grew by 3% in France and Spain, while the effect of our cost-efficiency efforts was off-set by weak book and training sales performance in the second quarter. We are currently conducting a review of the product portfolio in Region South. As the first step, the Spanish training business was divested at the end of July. The training business had a negative impact of 1.5 percentage points on the EBITA margin in Region South in the second quarter.

ENTERING THE MARKET FOR AI-DRIVEN WORKFLOW TOOLS

We are close to our customers in the development of new AI features, being adaptive to feedback while presenting opportunities of tomorrow. Building on our local mission-critical content and strong customer relationships, we are well positioned to help legal professionals achieve more efficient workflows. This autumn, customers will benefit from our AI-powered workflow tools that identify risks and propose legal improvements. By combining our customers' own documents and Karnov's proprietary content, we now make our entrance into the market for AI and content powered workflows. This broadens the scope of work we support and generates even more value for our customers.

PROGRESSING WITH OUR COST-EFFICIENCY EFFORTS

We progress with our cost-efficiency initiatives across the Group. The effect of the synergies is coming through as expected. By the end of the second quarter, the annual run-rate synergies from our initiatives amounted to SEK 201 m. We reiterate our ambition to generate synergies of SEK 230 m on annual run-rate basis by the end of 2026.

WE OPERATE IN A NON-CYCLICAL AND GROWING MARKET

High pace of legislative changes and increasing legal complexity are driving demand for legal information services. We are well positioned and are now accelerating the development of new AI-enabled services for this growing market.

CONFERENCE CALL ON 21 AUGUST 2025

A webcasted telephone conference will be held at 09.00 a.m. CEST today, where CEO Pontus Bodelsson and CFO Magnus Hansson will present the report and answer questions.

You can follow the presentation via webcast and ask questions in written form on the following page:

<https://karnov-group.events.inderes.com/q2-report-2025>

If you wish to participate via telephone, and thereby be able to ask questions verbally, please register on the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference: <https://conference.inderes.com/teleconference/?id=5006896>

The presentation material and the report will be available before the conference starts at www.karnovgroup.com. An on-demand version will also be available after the presentation. The presentation will also be available on www.financialhearings.com.

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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. With content provided by over 7,000 well-renowned authors and experts, Karnov Group delivers knowledge and insights, enabling more than 400,000 users to make better decisions, faster – every day. 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". For more information, please visit www.karnovgroup.com.