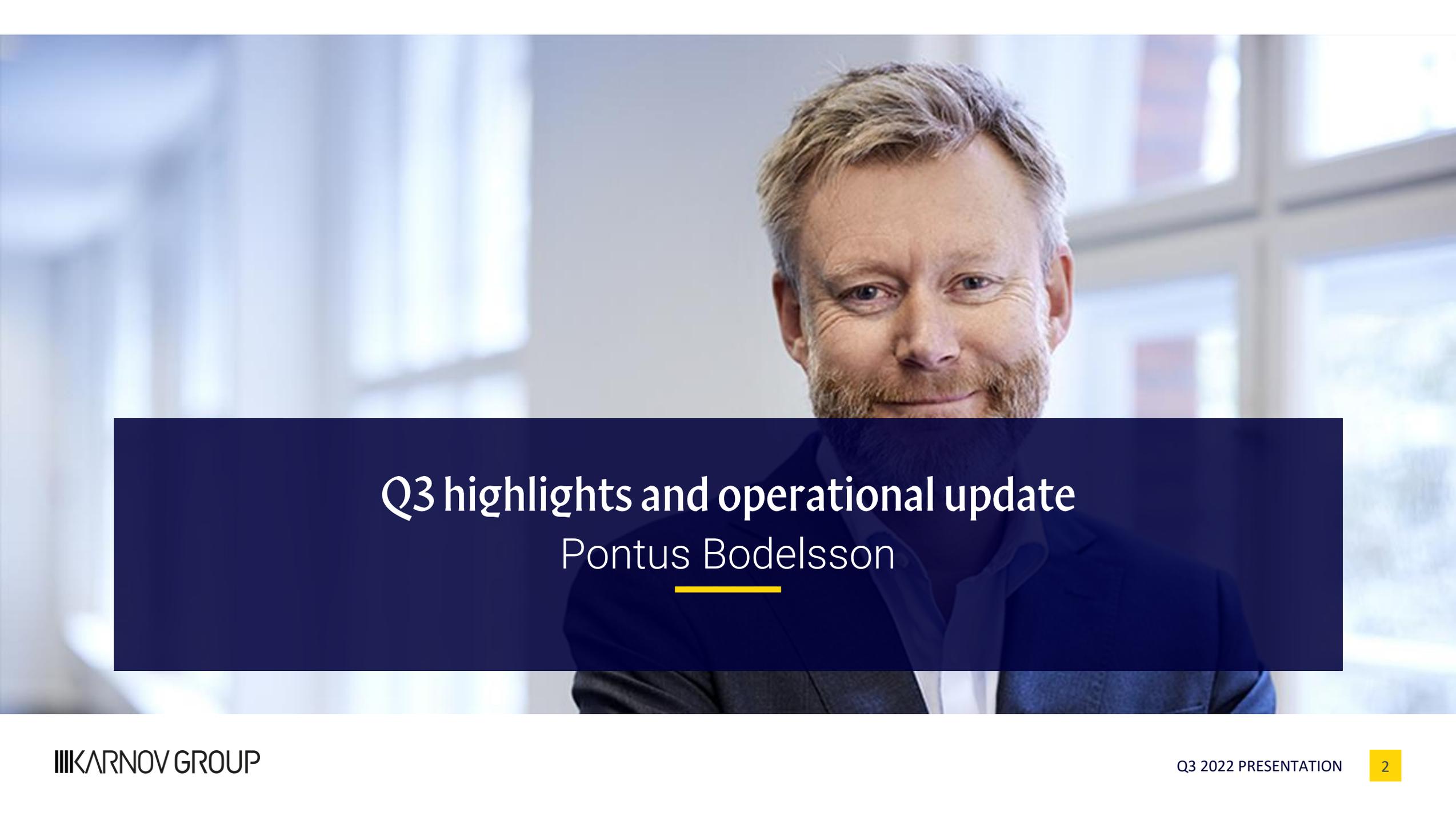


Karnov Group Interim Report Q3

Pontus Bodelsson, CEO
Jonas Olin, CFO
9 November 2022

A portrait of Pontus Bodelsson, a man with short, light-colored hair and a beard, wearing a dark suit jacket over a blue shirt. He is looking directly at the camera with a slight smile. The background is a blurred office interior with large windows.

Q3 highlights and operational update

Pontus Bodelsson

Financial highlights Q3

Extraordinarily strong growth and all clear for European expansion

+18%

Net sales

+13%

Organic growth

35%

Adjusted EBITA
margin

0.9x

Leverage

Group highlights

Solid online growth and extraordinary offline sales



Key comments

- › Organic growth of 13.2% and adjusted EBITA margin of 35.3%
- › Continued solid online growth driven by increased demand for our services within the public sector, municipalities and the EHS vertical
- › Karnov Group has had extraordinary offline sales in the third quarter related to school publications
- › As a thought leader within the legal field, Karnov Group annually publishes the industry report [The Future of the Legal Profession](#), which is the largest of its kind in Scandinavia, with more than 3,000 respondents from Denmark, Sweden and Norway

Stable performance in Denmark

Preparing onboarding of more municipalities



Key comments

- › Organic growth of 4.0% and adjusted EBITA margin of 35.3%
- › Municipality solution strengthened with additional case guides
 - › Launching greater supporting functions to prepare onboarding of new users
- › Very strong coverage from the release of The Future of the Legal Profession in Denmark
 - › Coverage in all larger news papers and meetings with industry leaders interested in change
 - › Strengthens our position as thought-leader within the legal field in Denmark

Extraordinary sales in Sweden/Norway

Significant offline sales and growing online sales



Key comments

- › Organic growth of 22.4% and adjusted EBITA margin of 35.4%
- › Extraordinary sales of offline products related to the new school year
- › Growing online business
- › Public sector, municipalities and EHS perform well
- › Stand-alone entities develop in line with expectation
- › New add-on "Rättsområdesanalyser" on the JUNO platform was well received in the soft-launch and we now prepare the roll-out

Clearance from the Spanish Antitrust Authority

Completion of the acquisition expected on 30 November 2022



Acquisition at a glance

- › Karnov Group to acquire legal research businesses in France, Spain and Portugal (Region South)
 - › Transforming Karnov Group to a European player
 - › Increasing the total addressable market by 9x
 - › Strong market presence on the Spanish and French markets
- › Clearance from the Spanish Antitrust Authority received in the beginning November 2022
 - › Closing of the acquisition expected on 30 November 2022
- › Market commitments for three years after closing
 - › Relates to product bundling and exclusivity contracts with authors

Guillaume Deroubaix intended CEO Region South

Experienced international business leader within the legal knowledge market



Key comments

- › More than 20 years of experience within the legal information solutions industry
 - › Comes from a position as COO of LexisNexis France
- › Will initially focus on the Spanish and Portuguese markets before assuming the position as CEO of Region South during the spring 2023
- › Guillaume Deroubaix had his first day at Karnov Group on 1 August 2022



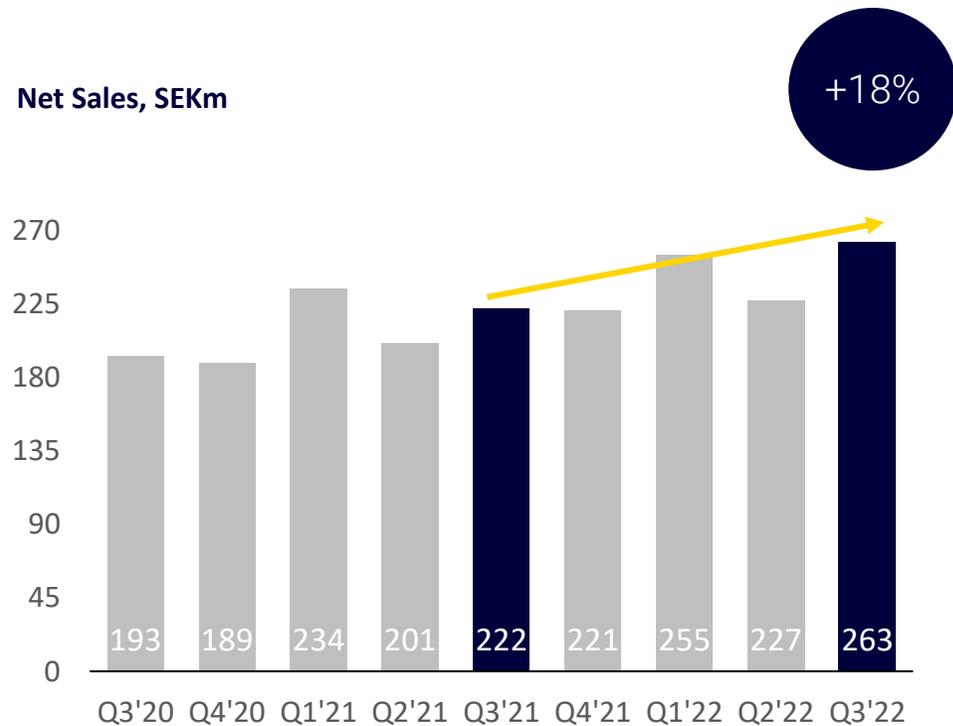
Financial development

Jonas Olin

Extraordinary strong growth

Online sales continue to grow – extraordinary offline sales

GROUP



Key comments

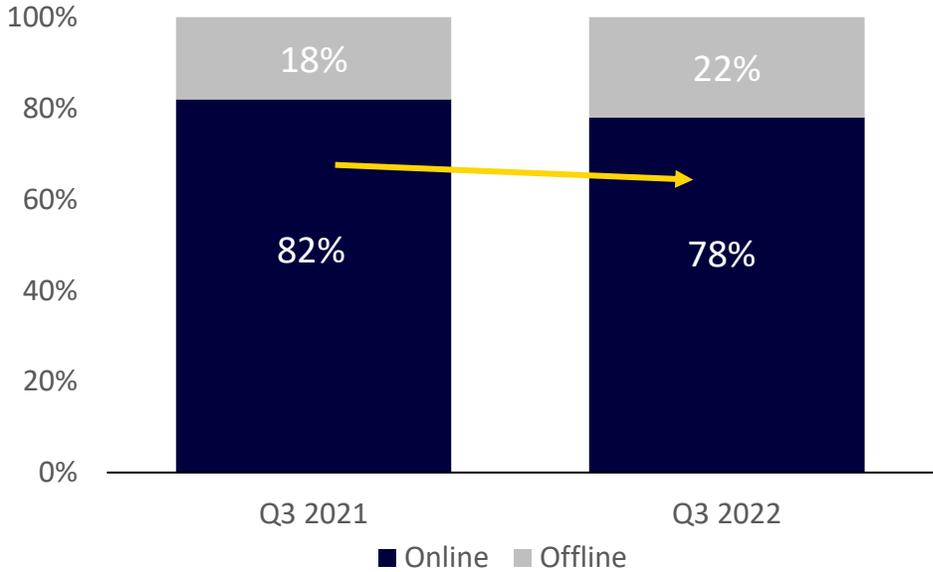
- Net sales growth of 18.4% of which organic growth was 13.2%, currency effects was 2.8% and acquired growth was 2.3%
- Online sales growth is driven by an increased demand for our services, both within our legal core and closely related verticals
- Extraordinary offline sales due to the new school year
 - Excluding the item above, organic growth on Group level would have been 5.4%

Unusual trend with higher portion offline sales

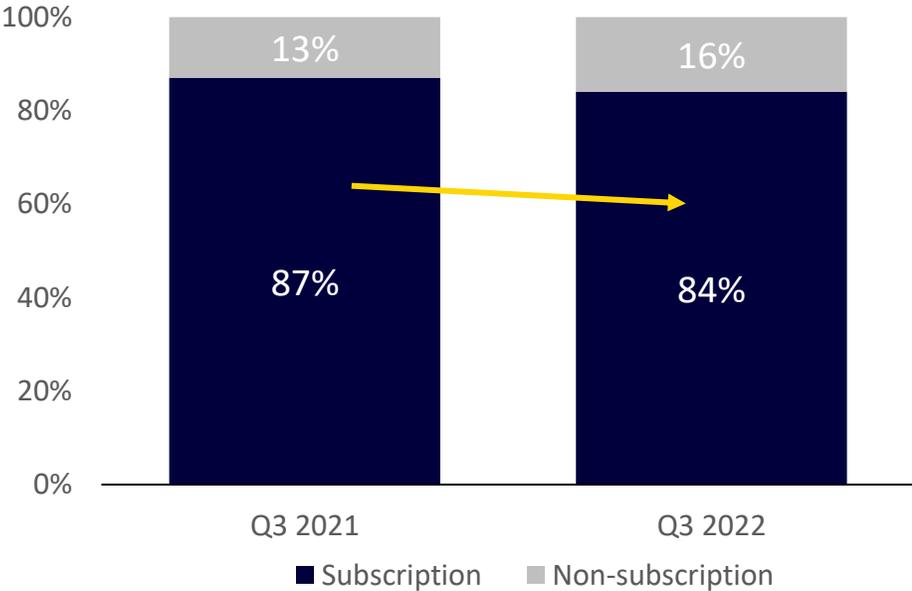
One-time effect from extraordinary offline sales

SALES SPLIT

Sales split online/offline, %



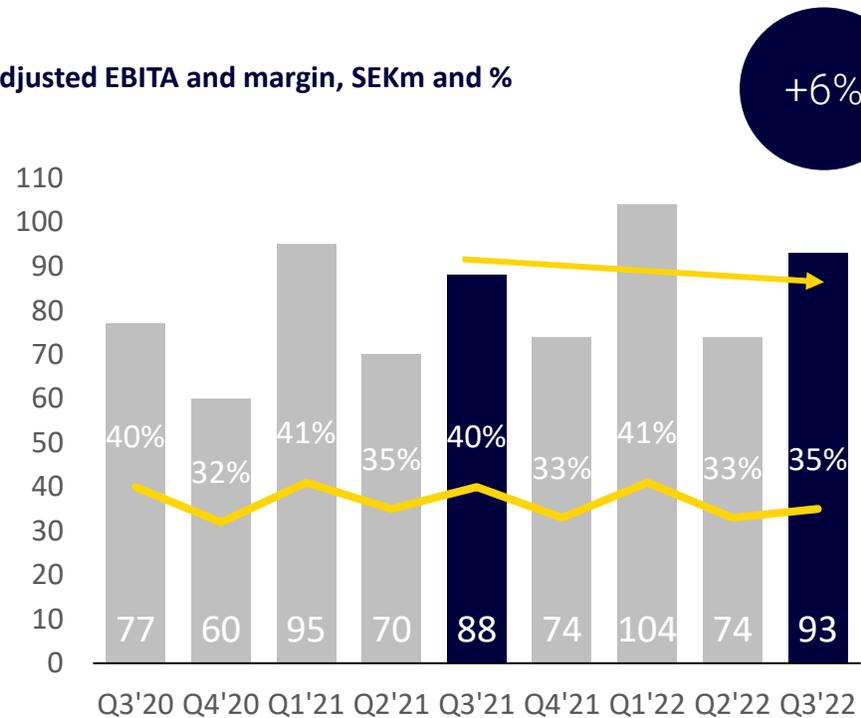
Sales split subscription/non-subscription, %



Increased earnings

GROUP

Adjusted EBITA and margin, SEKm and %



Key comments

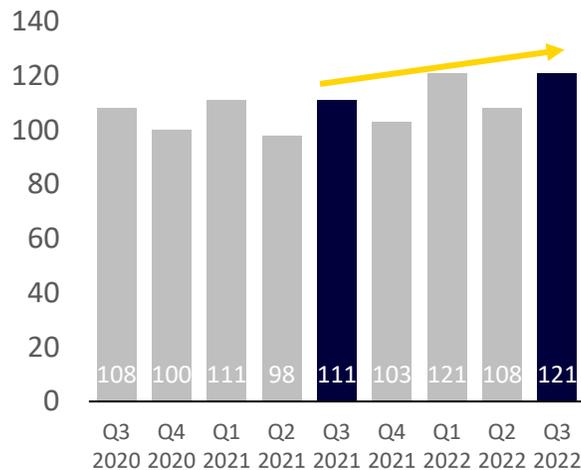
- › Adjusted EBITA improved by 5.9% to SEK 93 m (88)
- › Adjusted EBITA margin decreased to 35.3% (39.5)
 - › Karnov Group has continued the preparation for European expansion with related expenses for organisational development
 - › Higher personnel expenses as we have initiated development for future customer value
- › Items affecting comparability amounted to SEK 8 m (8)

Stable organic growth in Denmark

Decreased margin partly due to preparations for European expansion

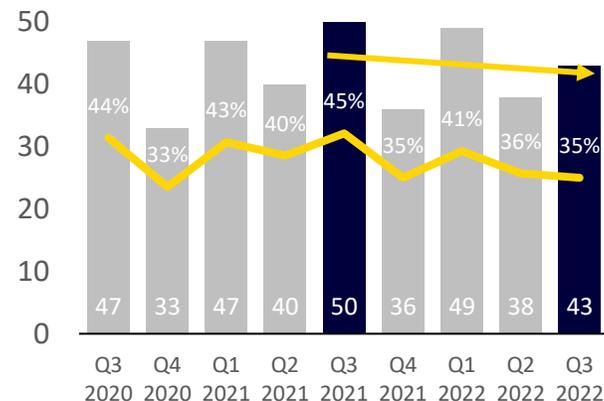
DENMARK

Net Sales, SEKm



+9%

Adjusted EBITA, SEKm and margin %



-14%

Key comments

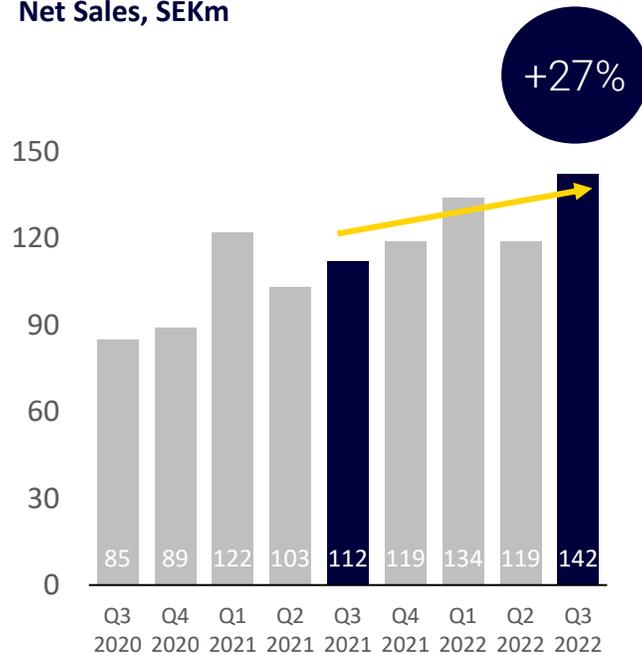
- > Organic growth was 4.0%, acquired growth amounted to 1.1% and currency effects had a positive impact of 4.3%
- > Organic growth driven by online sales
 - > Additional municipality contracts in Denmark closed in the third quarter
- > Adjusted EBITA margin decreased to 35.3%
 - > Increased cost base of SEK 5 m on the Danish segment as Karnov Group prepares the organisation for European expansion
 - > Higher personnel expenses and dilutive effect from legal tech start-ups

Very solid quarter in Sweden/Norway

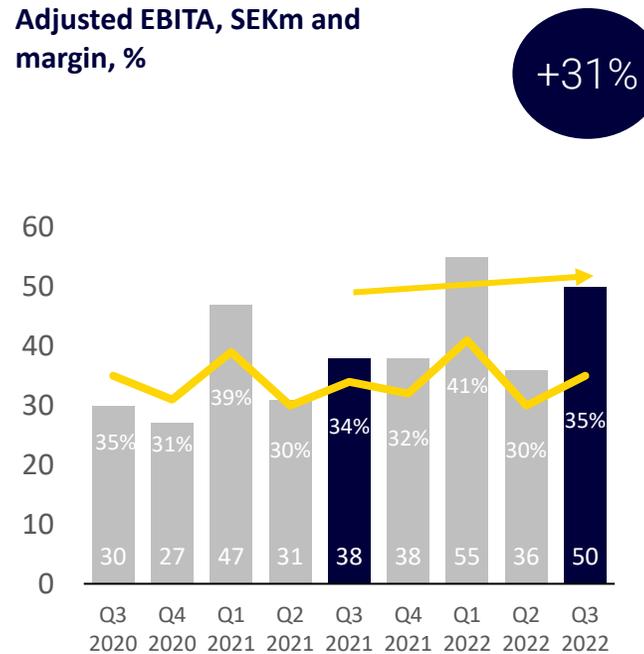
Extraordinary offline sales in this school year

SE/NO

Net Sales, SEKm



Adjusted EBITA, SEKm and margin, %



Key comments

- > Organic growth was 22.4%, acquired growth amounted to 3.5% and currency effects had a positive impact of 1.3%
- > Extraordinary offline sales in this school year
- > Excluding the item above, organic growth was 6.8%
- > Adjusted EBITA margin higher than the previous year at 35.4%

Financially prepared for European expansion

Leverage at the low level of 0.9x

GROUP

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



Key comments

- › Adjusted operating cash flow amounted to SEK 26 m
- › Timing effects on royalty payments (paid in Q2'22 instead of Q3'21)
- › Solid financial position with low leverage of 0.9x
- › Ready to complete acquisitions in France, Spain and Portugal
- › Financing in place for the acquisition, with a bridge loan facility and other debt facilities agreed with Nordea of EUR 110 million

Summary of Q3

1

Strong quarter

- Organic growth 13.2%
- Adjusted EBITA margin 35.3%

2

Growth in both segments

- Online sales continue to grow

3

Cleared for European expansion

- Clearance from the Spanish Antitrust Authority
- Closing expected on 30 November 2022

Q&A

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do it quickly.

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www.karnovgroup.com



Appendix

Company video



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