

Press Release – 15 February 2023

Karnov Group reports fourth quarter and full-year results 2022

First large European acquisition completed

FINANCIAL HIGHLIGHTS FOURTH QUARTER

- Organic growth was 10.4% in the quarter. Net sales increased by 66.6% to SEK 368 m (221). Acquired growth contributed with 51.6%. Currency effect was 4.6%.
- The Group's adjusted EBITA amounted to SEK 93 m (74) with adjusted EBITA margin of 25.1% (33.3%). Region North contributed with SEK 83 m (74) and Region South contributed with SEK 10 m.
- Net result amounted to SEK -13 m (1).
- Earnings per share before and after dilution amounted to SEK -0.12 (0.01).
- Adjusted operating cash flow amounted to SEK 261 m (214).

FINANCIAL HIGHLIGHTS FULL-YEAR

- Organic growth was 9.2% for the full year. Net sales increased by 26.8% to SEK 1,113 m (878). Acquired growth contributed with 14.6%. Currency effect was 3.0%.
- The Group's adjusted EBITA amounted to SEK 364 m (327) with adjusted EBITA margin of 32.7% (37.2%). Region North contributed with SEK 354 m (327) and Region South contributed with SEK 10 m.
- Net result amounted to SEK 60 m (84).
- Earnings per share before and after dilution amounted to SEK 0.56 (0.86).
- Adjusted operating cash flow amounted to SEK 423 m (344).

COMMENT FROM CEO PONTUS BODELSSON

Karnov Group has ended the year on a strong note, with organic growth solidifying the increased demand for our services. The acquisitions in France, Spain and Portugal were completed at the end of November, transforming Karnov Group from a market leader in the Nordics to a strong European player. This provides exciting business opportunities onwards.

Strong end to the year in Region North

Region North, comprising the Denmark and Sweden/Norway segments, continues to perform well. We grow on all markets and deliver on the increased demand for our services. We continue to add more value to our premium services.

In Sweden, we have started selling the new service ROA (Rättsområdesanalyser) as an add-on feature. The customer feedback is positive. In Denmark, we have made the content from the new public database called "Domsdatabasen" easily accessible for our users.

We continue to grow our market shares within municipalities in both Denmark and Sweden. The customers appreciate our broad content and practical guidance.

In order to strengthen the EHS offering in Denmark, we acquired Nørskov Miljø in January 2023 and immediately started to integrate the business with Notisum Denmark. We are now the largest EHS provider on the Danish market.

DIBkunnskap continues to perform well in Norway and is promoting its IFRS solution on the Swedish market.

Integration of Region South has started

Region South became part of the Karnov Group family at the end of November and we have been greatly welcomed. We have prepared the integration phase in workstreams and initiated the integration immediately after closing. All is progressing in line with expectations and the current focus is ensuring continued customer centricity. We are merging the two companies in Spain and are preparing for a common product portfolio. We will have one tech platform in Region South also including our French company Lamy Liaisons.

As previously announced, we intend to harvest cost synergies of EUR 7.5 m with full effect at the end of 2024, and synergies of an additional EUR 2.5 m with full effect at the end of 2026. Costs to achieve the synergies are estimated to amount to EUR 24 m. The merger will also create opportunities for even stronger offerings on the local markets, combining the best of the local businesses.

Financials in line with expectations

Organic growth was 10.4% in the quarter. Net sales growth was 66.6% including acquired growth from Region South, which was consolidated at the end of November. Drivers in Region North during the fourth quarter were a combination of upselling to existing customers and sales to new customers within municipalities, EHS and the public sector. Our customers have a strong demand for our services, and we will continue enhancing the value of our services to the benefit of our customers.

Adjusted EBITA was SEK 93 m in the fourth quarter, whereof SEK 10 m from Region South, and the adjusted EBITA margin was 32.5% in Region North and 25.1% in Karnov Group.

At the end of December, our leverage based on proforma EBITDA LTM was 3.6x.

Karnov Group intends to improve the leverage below the financial target of 3.0x EBITDA LTM and invest further in the newly acquired businesses in Region South to harvest synergies. The Board of Directors proposes no dividend for the AGM on 10 May 2023.

CONFERENCE CALL ON 15 FEBRUARY

A webcasted telephone conference will be held at 09.00 a.m. CET today, where CEO Pontus Bodelsson and Interim CFO Leif Mårtensson 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://ir.financialhearings.com/karnov-group-q4-2022>

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.financialhearings.com/teleconference/?id=5007617>

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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