

Press Release – 14 February 2024

Karnov Group reports fourth quarter and full-year results 2023

A successful year – now launching our Acceleration Initiative

FINANCIAL HIGHLIGHTS FOURTH QUARTER

- Organic growth (constant currency) was 3.8% in the quarter. The organic growth was 6.4% adjusted for the divested training business and one-off sales of school publications in Region North in Q4 2022.
- The Group's net sales increased by 72.2% to SEK 634 m (actual 368 proforma* 600). Acquired growth contributed with 66.5%. Currency effect was 1.8%.
- The Group's adjusted EBITA amounted to SEK 122 m (actual 93, proforma* 106) with adjusted EBITA margin of 19.2% (actual 25.1%, proforma 17.7%).
- Net result amounted to SEK 24 m (-13).
- Earnings per share before and after dilution amounted to SEK 0.22 (-0.12).
- Adjusted operating cash flow amounted to SEK 237 m (261).

COMMENT FROM CEO PONTUS BODELSSON

2023 was a successful and transformative year, with solid net sales growth and robust margins. We achieved an organic growth of 4% and the adjusted EBITA margin was 20%. The Region South integration progressed ahead of plan with harvested synergies. We now launch an Acceleration Initiative across the Group to enhance our mission-critical solutions for our customers and improve profitability.

Profitable growth within the Group

The Group net sales grew by 8% in the quarter compared to proforma figures, excluding the divested legal training business and the one-off sales of school publications in the comparing quarter the previous year. We have achieved strong growth in online sales, generating a solid adjusted operating cash flow in the quarter. Our solutions are mission-critical for our customers, and we prove ourselves resilient in a turbulent macro-economy.

The organic growth in Region North was 8%, adjusted for the items mentioned above. Growth is driven by strong performance within the public sector. During the quarter, we have onboarded new municipalities in Denmark, while our EHS businesses and DIBkunnskap also continues to drive organic growth. DIBkunnskap has at the beginning of 2024 operationally merged with Forlaget Andersen and launched their offerings in Denmark.

The net sales development in Region South is stable and in line with our expectations. During the quarter, we had non-subscription legal training sales in France which exceeded expectations. We reiterate our expectation for sales development in Region South to be flat in the near-term. We will relaunch and enhance the value propositions in both Spain and France at the end of 2024.

The Group adjusted EBITA margin reached 19% in the fourth quarter. Region North was in line with the corresponding quarter, while the Region South margin was significantly stronger due to a combination of harvested synergies, lower depreciations as well as good cost control.

Thanks to our cash flow generation, our leverage is now 2.8x, below the financial target.

Karnov Group intends to utilise the free cash flow to invest in the Group's acceleration initiative for further profitable growth and the Board of Directors proposes no dividend for the AGM on 8 May 2024.

Region South integration ahead of plan

We progress ahead of plan in the Region South integration. We are ahead of plan in terms of content migration as well as IT carve-out. More than 50% of the Aranzadi content is now migrated onto the common content platform, and the first Aranzadi product, Siapol, is now live on the platform. Decoupling of IT structure from one of the sellers has also been completed. During the quarter, we consolidated new offices in Region South, which will generate additional annual run-rate synergies of EUR 1 m starting in the first quarter 2024.

Acceleration Initiative for further customer value and profitable growth

2023 was a successful and transformative year for Karnov. We advanced our positions and expanded our mission-critical solutions to our customers. A new profitable growth strategy was set with updated financial targets, which we presented on our first Capital Markets Day in October. The integration project in Region South progressed, and is still progressing, ahead of plan and we launched new innovations with focus on AI for greater customer value.

2024 is the year we launch our Acceleration Initiative. We are encouraged by the successful merger in Spain and the new opportunities a technical shift enables. We now launch the Acceleration Initiative to generate further customer value as well as efficiencies across the rest of the Group. The Acceleration Initiative shall generate an additional 10 EUR m in cost-efficiencies with full effect on run-rate basis by the end of 2026. Cost-to-achieve is estimated to EUR 14 m.

In parallel, the Region South integration, with the ambition of achieving cost-efficiencies of EUR 10 m on run-rate basis by the end of 2026, will continue as planned.

In total, we thereby plan to achieve cost-efficiencies within the Group of EUR 20 m on a run-rate basis by the end of 2026.

CONFERENCE CALL ON 14 FEBRUARY

A webcasted telephone conference will be held at 09.15 a.m. CET 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://ir.financialhearings.com/karnov-group-q4-report-2023>

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=5006184>

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.

For more information, please contact:

Pontus Bodelsson, President and CEO

Telephone: +46 709 957 002

Email: pontus.bodelsson@karnovgroup.com

Magnus Hansson, CFO

Telephone: +46 708 555 540

Email: magnus.hansson@karnovgroup.com

Erik Berggren, Head of Investor Relations

Telephone: +46 707 597 668

Email: erik.berggren@karnovgroup.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 1,300 people. The Karnov share is listed on Nasdaq Stockholm, Mid Cap segment under the ticker "KAR". For more information, please visit www.karnovgroup.com.

**The proforma figures have been included for comparability. The numbers have not been audited by the company's auditor.*