

Press Release – 8 May 2019

Karnov Group reports first quarter results 2019

Continued growth with improved profitability

FIRST QUARTER SUMMARY

- Net sales up 6% to SEK 205 m (194) and organic growth of 3%.
- EBITA increased by SEK 26 m to SEK 67 m (41) with EBITA margin of 32.9% (21.2%), mainly due to SEK 17 m lower impact from items affecting comparability.
- Adjusted EBITA increased by 12% to SEK 85 m (76) and adjusted EBITA margin improved by 2 percentage points to 41.6% (39.2).
- Operating profit (EBIT) increased to SEK 37 m (12).
- Earnings per share before and after dilution increased to SEK 0.07 (-0.23).
- Operating cash flow increased by 10% to SEK 130 m (118).

EVENTS AFTER THE END OF THE QUARTER

- The IPO was completed and the Karnov share was listed on Nasdaq Stockholm, Mid Cap segment, on 11 April 2019 under the ticker "KAR".
- The IPO generated net proceeds of SEK 670 m for the Group.
- As part of the IPO, SEK 206 m in loans from related parties were converted to shares.
- The Group entered in to a new financing agreement, securing an unutilised credit facility of SEK 445 m (net).

CEO FLEMMING BREINHOLT COMMENTS ON THE QUARTER:

I am pleased with the outcome of our first quarter, which is normally the best quarter of the year. During the quarter, Karnov grew net sales organically by 3 percent compared to the first quarter 2018, which is in line with our medium-term target rate of 3-5 percent. This growth reflects our strategy to continuously invest, over many years, in the online market and in additional content for existing and new customers. More and better content in our products has also resulted in new subscribers in addition to maintaining a very high renewal rate from existing customers.

Karnov's adjusted EBITA margin reached 42 percent compared to 39 percent in the first quarter 2018. Q1 is normally the best quarter in the year, due to the high sales. In addition, this year's first quarter was positively affected by improved internal efficiency in our organisation. Our financial target is to increase margins in the medium term.

Cash flow from operations improved by 10 percent to SEK 130 m compared to the first quarter 2018, mainly driven by the increase in operating profit. The cash conversion was 168 percent for the first quarter.

The combination of a solid cash flow in Q1 and the proceeds from the IPO in April has significantly improved our capital structure. The leverage after the IPO is no more than 2.8 times net debt, in line with our financial target.

CONFERENCE CALL ON 8 MAY

A webcasted telephone conference will be held at 10.00 a.m. today, where CEO Flemming Breinholt and CFO Dora Brink Clausen will present the report and answer questions.

You can follow the presentation and the telephone conference on the following page:
<https://tv.streamfabriken.com/karnov-group-q1-2019>

To participate in the conference, and thereby be able to ask questions, please dial in on any number below a couple of minutes before the start of the call:

SE: +46 8 505 583 50
DK: +45 8 233 31 94
UK: +44 333 300 92 66
US: +1 833 526 8382

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

For more information, please contact:

Flemming Breinholt, President and CEO
Telephone: + 45 3374 1202
Email: flemming.breinholt@karnovgroup.com

Dora Brink Clausen, CFO
Telephone: + 45 3374 1248
Email: dora.brink.clausen@karnovgroup.com

Mats Ödman, Head of Investor Relations
Telephone: +46 708 32 09 33
Email: mats.odman@karnovgroup.com

This press release contains inside information that Karnov Group AB (publ) is required to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication by the above contact person on 8 May 2019 at 7.50 a.m. CEST.

Karnov Group is a leading provider of mission critical information in the areas of legal, tax and accounting, and environmental, health and safety in Denmark and Sweden. With brands such as Karnov, Norstedts Juridik, VJS, Notisum, Change Board Member, and Forlaget Andersen, Karnov Group delivers knowledge and insights, enabling more than 60,000 users to make better decisions, faster – every day. With offices in Copenhagen, Stockholm, and Malmö, Karnov Group employs around 240 people. Net sales in 2018 amounted to SEK 715 M. The Karnov share is listed on Nasdaq Stockholm, Mid Cap segment under the ticker “KAR”. For more information, please visit www.karnovgroup.com.